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Vietnam: TAP CHI CONG SAN

No 2, February 1988

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[The following is a translation of the monthly theoretical and political journal of the Vietnam Communist Party published in Hanoi. Refer to the table of contents for a listing of any articles not translated.]

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No 2, February 1988

Editorial: Major Guiding Concepts for the 1986-90 5-Year and 1988 Socioeconomic Development Plans

42100007a Hanoi TAP CHI CONG SAN in Vietnamese
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[Article not translated]

Accelerating the Implementation of 'The Comprehensive Program for the Advancement of Science and Technology Between Now and the Year 2000'

42100007a Hanoi TAP CHI CONG SAN in Vietnamese
No 2, Feb 88 pp 8-14

[Article by Professor Dang Huu]

[Text] The development of production forces in the new stage of the scientific-technological revolution is determined by the trends and capabilities of technologies that are new in principle. We call this new stage the technological revolution, or the scientific-production revolution. It is causing and will continue to cause profound structural changes. With the remarkable achievements that have been recorded in electronics and computer science, in flexible automation, laser technology and fiber optics, in other new technologies and new materials, in genetic technology...structural change has already had a broad impact upon the sectors and subsectors of the economy, revolutionizing means, methods and objects of labor and raising new requirements concerning the organization of production, mechanization and automation, product quality and the extent to which and the forms through which production is drawn into the division of labor and cooperation on a national scale, particularly on a regional and international scale. Ultimately, it raises new requirements concerning the level of the worker's education, specialization and professionalization.

The essence of the technological revolution now occurring lies in revamping and perfecting the current production apparatus on the basis of technical means and technologies that are completely new in principle, thus replacing and modernizing outmoded equipment.

Within the world capitalist economy, the impact of the technological revolution has strongly changed the structure of the centers of imperialism, thus causing the competition and contradictions among them to become more intense. Each center wants to jump ahead of the others by following the technological trends that show the most promise and investing heavily in the fields that are highly scientific and technical with the aims of dominating primary markets and fields of investment and squeezing out its competitors. At the same time, this structural change is having a rather strong impact upon

the field of capitalist foreign affairs, most importantly in the developing countries that are just now building their industry, countries which are making the transition into production sectors that use much energy and large amounts of materials and labor as well as production sectors which cause environmental pollution in the form of free investment zones.

The imperialists, most importantly the U.S. imperialists, calculate that the new stage of the scientific-technological revolution and the structural change related to it will permit them to neutralize or lessen the destructive impact of cyclical economic crises, bring back the dynamism of the 1950's and 1960's and consolidate their position vis-a-vis the developing countries and particularly in the test of strength and confrontation with socialism.

The greatest danger in all this is that the United States and its allies have been using the technological challenge as a main component of an arms race that is totally new in character and have taken the arms race into space. At present, they are urgently pursuing the SDI program. U.S. ruling circles are vainly trying to use their considerable technological capability to simultaneously change the balance of power between the two systems in their favor and between the United States and the two other centers of imperialism competing against it, Western Europe and Japan, as well as to consolidate their position within the Third World, most importantly by means of "technological neo-colonialism." To leap ahead in the technology race, the countries of Western Europe have assembled forces to implement the Oreka program, whereas Japan has implemented its own unique technology policy.

The imperialist countries also calculate that once separated from the international market in technology, the Soviet Union and the rest of the socialist community will be unable to compete against the West in the arms race or in changing the structure of the economy to suit the new requirements of the scientific-technological revolution. They maintain that limiting technological trade between U.S. allies and the socialist countries will weaken the position of these countries in the world market in a way favorable to the United States.

Against this background, the socialist countries are implementing a strategy of shifting their economies to intensive development based on accelerating the advancement of science and technology. The Soviet Union considers accelerating the advancement of science and technology to be the primary direction of its economic strategy, to be the basic lever in developing the national economy in depth and increasing its efficiency, that is, the lever by which its most important social problems will be solved.

The general line that typifies the economic strategy of the majority of the socialist countries is to increase the widespread and effective use of the latest achievements

of the scientific-technological revolution. The socialist community has the necessary material-technical base and intelligence. It possesses about one-third of the scientific and technical potentials and the industry of the world, including the aircraft manufacturing sector; accounts for two-fifths the total number of inventions in the world; has a network of scientific research and design agencies and scientific-production organizations; and has gained more than a small amount of experience in resolving new and complex scientific and technical problems. It is socialism that has removed the economic and social obstacles along the path of solving the problems associated with using scientific and technical advances to serve the common interests of all society. However, as the press of the socialist countries has frequently stated, scientific-technical advances and their capabilities are not being widely or effectively utilized in scores of production and non-production activities. This has retarded the process of shifting the economy to a stage of stronger development and has prevented potentials from being fully utilized. The primary causes of this situation have been the failure to make full preparations within the economic mechanism for promptly and fully utilizing modern scientific and technical capabilities and the fact that most incentives have focused on meeting quantitative norms while not giving very much attention to quality and efficiency. To overcome this obstacle and create for socialism truly inherent incentives in the face of rapid qualitative changes based on the effective use of the achievements of science and technology, the most important tasks are to perfect the economic mechanism and raise production relations to a level compatible with the level of development of modern production forces in the current stage of the scientific-technological revolution. The major historical task facing the communist parties of the fraternal countries is to closely tie the achievements of the scientific-technological revolution to the superior nature of socialism.

As everyone knows, the above-mentioned task cannot be performed by some socialist countries without widespread and effective cooperation within the framework of the socialist community, without a mechanism that is reciprocal and stable and, under current conditions, without an agreed-upon socio-economic and scientific-technical strategy for the years ahead and the long-range future. Intensive economic development based on scientific-technical advances is the primary factor determining the development of the country and the entire community. Therefore, scientific-technical cooperation and effective integration in this area are becoming the foundation of socialist integration, in general, and the initial basis of the overall agreed-upon strategy of the fraternal countries.

Concerning the leading role of scientific-technical cooperation, we understand this cooperation to mean not only cooperation in research, not only performing jobs together, exchanging scientific and technical results and then putting them to use at home, but primarily to mean

comprehensive cooperation within the field of scientific-technical advances, to mean clearly defining objectives and the means we can use together to continuously practice cooperation within a closed "science-technology-production" cycle with the aim of producing, on a timely basis, products of the necessary quality and in the necessary quantities which meet and exceed world standards. It must be insured that scientific and technical cooperation are closely linked to the other fields of cooperation. We cannot view the economic integration of the CEMA member countries as separate and distinct from the scientific-technical cooperation of these countries. Economic and commercial cooperation are usually the continuation of scientific and technical cooperation.

The factor of utmost importance in increasing the effectiveness of scientific-technical and economic cooperation is the conditions needed to accept the scientific-technical advances of each country. If, within each country, this problem is not resolved well, if the necessary economic and scientific-technical conditions, particularly domestic research and development conditions, are not prepared well, the importation of scientific-technical advances will not prove effective.

The Comprehensive Program in the Advancement of Science and Technology between now and the year 2000 that was signed in December 1985 at the 41st (special) session of CEMA marked a new stage of development in economic and scientific-technical cooperation among the CEMA member countries. Under this program, the countries agreed to closely coordinate activities with the aims of creating and utilizing technologies that are new in principle in the following five areas of priority:

- Applying electronics throughout the national economy;
- Synchronized automation;
- Atomic energy;
- New materials and their processing technologies;
- Biotechnology.

As regards the priority of applying electronics throughout the national economy, the fundamental objective of cooperation is to widely provide in all fields of production and everyday life the most advanced computing equipment, which is the basis for achieving higher labor productivity, saving energy and raw materials, accelerating the advancement of science and technology and restructuring the non-production fields. To achieve this objective, it is necessary to manufacture very powerful, new generation computers which operate at speeds in excess of 10 billion calculations per second and utilize the principle of artificial intelligence. We must also strongly develop the production of all types of high capacity, high speed personal computers, fiber optics

communications equipment, information-liaison, television and wired radio systems of high quality, automated control and measuring equipment for use in production, in scientific research and so forth. It has been projected that there will be a significant increase in labor productivity within each field and a two-fold reduction in the consumption of energy and raw materials per product unit, thereby economizing on capital invested in production and reducing production costs.

In the area of automation, the objectives of cooperation are to be put into widespread use in production flexible automated systems, large production lines and conveyor belts, industrial robots, automated devices to control technical standards and equipment, very high precision equipment production technologies, automated design, scientific research and production management systems with the aim of reducing product design and manufacturing costs by approximately 1.5 times. The machine units and manufacturing modules of the CEMA member countries will be of high quality and interchangeable. The consumption of labor per product unit will be reduced two-fold. Labor productivity will be raised at least four times in lifting, loading, unloading and other warehouse operations, thereby reducing production set-up time by 1.5 to 2 times. Automation will have a profound influence upon each field of activity of society and significantly raise labor productivity within the basic sectors of the national economy.

Cooperation within the field of atomic energy is aimed at profoundly revamping the energy sector of the member countries, increasing the efficiency and reliability of electric service, decreasing the use of organic fuels, improving the supply of heat to the cities, protecting the environment and making rational use of energy within the member countries, thereby laying important foundations for building a virtually inexhaustible source of energy based on controlled thermonuclear reaction.

The basic objectives of cooperation within the field of new materials are to widely apply within the national economy various types of materials that are totally new, materials whose properties are superior to those of traditional materials, such as being resistant to wear, resistant to heat, resistant to acid, resistant to radioactivity and so forth, as well as create technologies to produce and process these materials and develop production technologies which consume the smallest possible amount of energy, raw materials and finished materials. In this area, widespread use will be made of highly durable, wear-resistant and heat-resistant composite materials and ceramics in electrical, electronic, metallurgical and chemical technologies, particularly in the manufacture of internal combustion engines and gas turbines. We will also manufacture and use new plastics to replace natural materials and scarce metals and alloys and significantly improve the quality and extend the life of machines and equipment. Powdered metal refining will be used to create materials that are highly resistant to wear and heat. New semiconductor materials will be

created for use in micro-electronics. The use of plating, vacuum, high pressure and explosion technologies to create super hard materials, the use of industrial lasers in machining operations will fundamentally raise the technological level within the machine, metallurgy, electronics and chemical sectors and reduce production costs.

The objectives of rapidly developing biotechnology are to significantly increase the sources of grain and food products, prevent and treat dangerous diseases, improve the supply of raw materials to the national economy, develop production which generates no discarded materials, make rational use of natural resources and protect the environment. To meet these objectives, we must create and make widespread use of new, high yield crops and species of livestock which are able to withstand unfavorable factors (as a result of traits acquired through gene and cell technology). We must also create and make widespread use of micro-organisms and micro-biological means to protect vegetation; crop growth stimulants and regulators and new, active biological agents and pharmaceutical products for use in medical science (interferon, insulin and growth hormones) to provide for the early diagnosis and treatment of dangerous diseases; livestock feed additives of high value; and new biotechnologies in the food processing and chemical industries and in the treatment and processing of agricultural and industrial wastes, thereby creating supplemental sources of energy and fertilizer.

By implementing the Comprehensive Program in the Advancement of Science and Technology, the CEMA member countries will accelerate socio-economic progress and improve the standard of living and quality of life of the people, which will include improvements in the fields of culture, education and public health, thus satisfying the needs of the people more fully.

The comprehensive program in the advancement of science and technology will help to accelerate the process of reaching uniformity in the level of economic development of the CEMA member countries and provide more effective scientific, technical and economic assistance to Vietnam, Cuba and Mongolia from the European member countries.

The CEMA member countries consider working together to thoroughly implement the Comprehensive Program in the Advancement of Science and Technology to be an exceedingly important economic and political task.

In the 2 years since the program was adopted, urgent efforts have been under way to organize the performance of the tasks and meet the objectives of the program. The 42nd session (1986) of CEMA passed a special resolution on accelerating the implementation of the Comprehensive Program in the Advancement of Science and Technology. The 43rd session (1987) also stressed the need to further accelerate the implementation of this program.

Despite some initial confusion concerning the mechanism of cooperation, specific procedures and so forth, the organizational stage has virtually been concluded and the program is now being urgently and successfully implemented. In 1986, more than 400 research results relating to 30 percent of the matters governed by the comprehensive program were introduced in production. It has been estimated that, in 1987, thousands of results were introduced in production and hundreds of new products which meet the most advanced scientific and technical standards in the world were produced.

Our country is at a very low level of development compared to the other member countries of CEMA. Domestically produced national income per capita is only 4 percent of that of the European member countries. Industrial production equals only 2 percent of the industrial production of these countries. Our scientific and technical potentials are weak. In production, the level of technical development is low. But this does not mean that the Comprehensive Program in the Advancement of Science and Technology holds little importance to us. To the contrary, participating in this program is a necessary prerequisite to rapidly developing our country's science-technology, economy and society, to reducing the gap in the level of development between our country and the other member countries. The problem we face is to select the correct objectives and the correct ways to participate in this program.

Our country has chosen its objectives and the ways it will participate in the comprehensive program on the basis of our country's natural and socio-economic conditions, the requirements of socio-economic development in the stage ahead, the results of state programs in the advancement of science and technology and forecasts and research conducted over the past several years concerning the strategy for scientific-technical development. On the one hand, this program will help us to apply the latest achievements of science and technology to serve our socio-economic development objectives in the years ahead, particularly the three major economic programs. On the other hand, it will enable us to select and develop a number of scientific-technical fields which show the greatest prospects from the standpoint of achieving rapid economic and social development in our country in the final years of this century. This program will spur the rapid development of the international division of labor and economic integration between our country and the other member countries of CEMA and tap our potentials and strengths in this division of labor and this integration.

Biotechnology is the priority to which most attention must be given. We are participating in many projects in this area. With the methods of gene technology, cell technology and biotechnology, we can create and quickly reproduce high yield crop varieties and species of livestock that are of high quality and highly capable of resisting and withstanding unfavorable factors under different ecological conditions; increase the sources of

fertilizer and livestock feed as well as the ability to protect vegetation and store and process grain and food products; produce many antibiotics, vaccines and many other types of pharmaceutical products; create many additional sources of nutritious food for humans; successfully treat agricultural and industrial waste products, clean the environment, create additional sources of energy from biomass, etc. The rapid development of biotechnology in our country will permit us to effectively develop our rich, tropical natural resources, significantly increase the yields and output of grain and food products, reduce the consumption and make more efficient use of grain and food products, create many raw materials for industry, develop the production of consumer and export goods and improve the health of the people, thereby contributing to the overall development of the community.

We are also very interested in the development of electronics and computer science. Although we are still at a very low level of development, we can develop a number of fields of science and technology on this leading edge of development and it is very necessary that we do so. On the basis of the achievements in research and development that have been recorded and with the existing corps of cadres, it is necessary to rapidly introduce the latest achievements of computer technology in the fields of production and social life to insure the frugal use of materials, energy and labor, increase the effectiveness of the management system and improve the efficiency and quality of production. With our abundant labor (including technically skilled labor), we can participate in cooperation in the research, design, production and assembly of some electronic components and pieces of equipment, computing equipment and communications equipment, for example, personal computers, micro-computers, automated electronic switchboards, special purpose electronic equipment, radios, televisions, cassettes and products which require much manpower from their research and design to their production. We are especially interested in developing the software of computer technology.

We are also participating in many projects in the field of new materials with the aim of using new technologies in production, economizing on raw materials and energy, raising machine and equipment manufacturing standards, making more efficient use of natural resource. By focusing on projects related to our strengths in natural resources (rare earth metals, bauxite, gypsum, titanium, petroleum and natural gas, raw materials from vegetation), we can cooperate in research and production and supply to CEMA member countries a number of products of value.

By participating in the research and application of a number of projects in automation, we can acquire the conditions needed to make better and more effective use of the automated systems currently operating in many of our factories. At the same time, we will be able to introduce automation technology (automated controls,

automated weighing, automated inspection, analysis and treatment) in production lines, equipment and machinery with a view toward increasing the efficiency with which they are used and improving their reliability. We are also participating in cooperation in the research and production of components and parts for automated systems and in the development of automated design and scientific research systems.

In the field of using nuclear technology in production and everyday life, we are participating in more than a few projects in the development of atomic energy.

Roughly 100 projects in the five fields to which priority has been given have been agreed upon with other countries. Today, despite initial confusion and slowness, agreements and contracts for the implementation of these projects have been signed and are being implemented. A number of research products have been sent to members countries for their examination and evaluation. Many of these products have been certified as being of high quality.

The projects through which we are participating in CEMA's comprehensive program have been closely tied to the key state-level programs in scientific and technical advances, thus forming a unified system. Funding is primarily from the state budget, with some funds mobilized at basic production units (the basic units applying these advances). Hundreds of scientific agencies and basic production units and a rather large force of scientific-technical cadres are participating in these projects, with efforts focusing first on cooperative projects extending from research to the specialization of production and product trade with the member countries and projects that are designed to give us a grasp of new technologies and apply them in production within our country in the years ahead (the majority of which are projects concerning which we have already conducted some research and testing and have found to show many prospects). The remaining projects are projects which will help us to move closer to the latest achievements of science and technology and which show prospects for us in subsequent years, thus preparing for stronger economic and scientific-technical development.

In the implementation of its comprehensive program, CEMA has agreed to extend preferential terms (as well as Cuba and Mongolia) in the spirit of accelerating the gradual process of creating uniformity in the economic and scientific-technical development of the member countries and, most importantly, rapidly raising the level of development of Vietnam (as well as Cuba and Mongolia) to that of the European member countries of CEMA by helping us to advance directly into a number of leading, advanced fields that will exert a strong impact upon our country's economic and social development. Actively and effectively participating in the implementation of the comprehensive program is a vital prerequisite to reducing the gap between our country and the developed countries and is, therefore, an especially important political, economic and social task of ours.

Frugality—a Major National Policy

42100007b Hanoi TAP CHI CONG SAN in Vietnamese
No 2, Feb 88 pp 15-19, 36

[Article by Nguyen Khiem, M.A. in Economics]

[Text] Practicing frugality in the use of living labor as well as past labor is a factor of intensive development, is a law of each system of social production. The efficiency of production is always tied to the law of practicing frugality. "Being frugal in the use of time as well as the planned distribution of work time within the different production sectors continues to be the number one economic law when production becomes collective production." ¹ In recent years, frugality has become the national policy of the socialist countries, including those which have reached a high level of development. One of the objectives of the scientific-technological revolution is to save raw and finished materials and raise labor productivity. It has been calculated that the volume of raw materials, finished materials and energy consumed by the world over the past few decades has been as large as the volume consumed in the whole preceding course of human history. The natural resources of countries are limited. It is becoming increasingly difficult to extract natural resources. However, consumer needs are rising very rapidly. Therefore, the demands being faced are to utilize raw materials, finished materials and energy in the most frugal and effective ways possible and, on the other hand, to make rational use of discarded materials and find substitute raw and finished materials. Recovering and recycling discarded materials are constant tasks that are being given increasing attention in such developed socialist countries as Czechoslovakia, the GDR and so forth. For example, according to the Czechoslovak State Planning Commission, the following discarded materials can be recovered in 1 year: more than 60,000 tons of tin, more than 12,000 tons of nickel, 392,000 tons of paper, 42,000 tons of steel and tens of thousands of tons of rubber, glass, cotton fiber and so forth. The Soviet Union is a country with rich natural resources and enormous reserves. But combating waste within the national economy and making frugal use of raw materials, finished materials and energy have become a policy tantamount to a widespread and long-term campaign of society. Frugality has also become a major policy of the Cuban party and state. In January 1987, Cuba put into effect 30 measures designed to practice frugality in production as well as consumption. The developed capitalist countries (the United States, Japan and West Germany) have also adopted economic policies aimed at making frugal and effective use of natural resources while also taking technical steps to recycle and thoroughly utilize discarded materials.

Thus, frugality is an objective requirement of each economy, including the economies of the developed countries. Our country is a country that is poor in raw

materials, fuels and finished materials but also a country in which the management and use of materials and fuels are marked by much serious waste.

In our country, waste is evident in the following areas:

In capital construction:

1. The number of unfinished construction projects is very high. During the period from 1976 to 1980, we simultaneously began the construction of thousands of large and small projects. During the period from 1981 to 1985, some of these projects had to be suspended and efforts were focused mainly on continuing the construction of the remaining projects. Because construction is not well coordinated and because there is a lack of economic-technical argumentation, projects take 3 to 4 years longer to build than initially projected. Some projects have even been under construction for decades and still not been put into use, which ties up capital and materials and creates a large waste of public funds.

2. It is in construction and assembly work that the most raw and finished materials are wasted. According to an investigation conducted at a number of capital construction projects, the losses resulting from changing the investment program or construction site and changing the technical design and methods of construction or from numerous loopholes in the management of materials which allow materials and equipment to be lost and wasted account for 30 percent of the total capital invested, thereby affecting the rate of construction and project quality.

3. Preliminary calculations show that there are a few dozen projects which cannot be put into use. Hundreds of completed capital construction projects are now only operating at 20 to 30 percent of capacity. This situation costs the economy tens of billions of dong.

Waste in the use of materials and energy:

Everyone knows that many basic production units have had to suspend production due to the shortage of electricity. Yet, the waste of electricity is at an alarming level (18 percent is lost in transmission, 10 percent in consumption). It has been calculated that if we reduced these losses by only 1 percent, we would be able to supply nearly 15 million additional kilowatt hours of electricity to meet vital consumer needs.

The use of materials is not in accordance with material consumption ceilings. Very many materials are not carefully weighed, measured or counted. As a result, actual consumption is, generally speaking, much higher than the ceilings established by the state. The management of materials is very lax. The system of warehouses, wharves and storage yards has not been strengthened, which has led to considerable losses. According to reports by the concerned sectors, the total volume of materials lost compared to the total amount supplied averages

15 percent: 10-15 percent within the coal sector, 10 percent within the fertilizer and pesticide sector, 10-20 percent within the iron sector and 20 percent within the steel sector. Between 1982 and 1984, the electric power sector allowed 342,081 tons of coal to be lost. The forestry sector loses about 20,000 cubic meters of wood annually. At many places, components and parts for synchronized pieces of equipment are lost. In the port of Haiphong alone, thousands of tons of iron, steel and equipment belonging to no one are exposed to the elements and many vehicles and machines break down and quickly deteriorate as a result of not being used correctly.

Waste in consumption and in expenditures of foreign currency:

At a time when the country is still poor, domestic production is inadequate and product quality is not high, the consumption policy must thoroughly embody the spirit of frugality. In practice, however, sumptuous banquets and heavy drinking are widespread ills at enterprises and agencies. For example, during the first 6 months of 1987 alone, the six hotels of the Hanoi Hotel and Tourism Corporation served 166 conference banquets for various sectors on the central level and in Hanoi costing a total of 13 million dong, which does not include the banquets held at agencies and enterprises or at private stores. At basic production units, these costs are usually included in production costs. This is one of the reasons why production costs have been rising rapidly. At administrative agencies, these costs must be borne by the state budget. At a time when we do not have the foreign currency we need to import sufficient fertilizer and pesticides for agricultural production or the raw and finished materials needed for industrial production, many places have been using strong foreign currencies to buy fancy articles and goods that are not truly needed.

Waste in the use of labor and arable land:

According to initial calculations, we are only using about 80 percent of the labor within the various sectors of the national economy. That is, there are still millions of persons who do not have a job. This is a very large waste, a heavy burden to society. On the other hand, even within agencies and enterprises, we are only utilizing about 60 to 70 percent of work time. That is, millions of additional laborers are being wasted. The amount of farmland per capita in our country is among the lowest in the world. (In many Eastern European countries, there is one hectare of farmland per capita. In our country, there is 0.1 hectare.) But the management of arable land is still lax and this land is being used wastefully. From 1981 to 1985, according to investigative data, the amount of area under the cultivation of grain declined by 7.89 percent (roughly 370,000 hectares). The amount of area used exclusively to raise rice declined by 17 percent (at a time when the population has been rising rapidly, the amount of arable land per capita has been gradually declining). If land continues to be used in this way, it will inevitably lead to major consequences. (On the average,

grain output is only rising by about 600,000 tons per year. At the same time, the grain output being lost due to the decline in the amount of area under the cultivation of grain is more than 1 million tons per year.)

Waste resulting from poor storage and poor quality products:

According to scientific calculations, the post-harvest losses of agricultural products, both quantitative and qualitative, are still very large—about 25 percent of output. In our country, 15 to 18 percent of the rice produced each year is lost. This amounts to 2.4-2.9 million tons, enough to feed nearly 10 million persons for 1 year. In the case of western potatoes, sweet potatoes, vegetables and fruit, losses are even larger (on the average, about 30-35 percent).

The quality of consumer goods is poor and gradually declining. Many types of cloth and face towels are worn out after being used for only a very short period of time. According to an investigation conducted in 1987, 5,000 to 6,000 bicycles could not be shipped to the market from a number of enterprises because their quality was very poor and hundreds of tons of spare parts needed to be manufactured. A similar situation has occurred with other types of products, such as bicycle tires and tubes, soap, earthenware, pottery, glass and so forth. Many export goods have lost their place on the international market as a result of their poor quality. Declining product quality is a widespread phenomenon in our country. This situation has caused a large loss of raw materials, finished materials and labor, including scarce materials that must be imported. If production were carried out in exact accordance with technical standards and if a rational management mechanism were in place, we could produce products of higher quality with the same quantities of materials we are using today. Or, higher economic returns could still be achieved if production costs were somewhat higher but the products produced were durable and attractive.

The situation described above stems from the following causes:

1. The fact that we have not yet established a correct economic structure or a correct structure of investments has led to very serious consequences. Capital construction accounts for a large percentage of investment capital but returns from the use of this capital have been very low. Equipment and materials worth hundreds of billions of dong lie idle or are gradually deteriorating, thus exerting a major impact upon the development of the other economic sectors.

2. The management mechanism based on bureaucratic centralism and state subsidies is the main cause of the waste of materials, energy and capital and the emergence of negative phenomena in society. This mechanism is

based on an allotment system. Operations are conducted without having to calculate profit or loss. Plans are imposed and handed down from above.

Closely tied to this management mechanism is a cumbersome management apparatus consisting of many intermediary echelons, which causes many materials to be wasted or lost.

3. Technical standards are very low. Many modern pieces of equipment and machinery of high value break down after being in use for only a short while. The application of new technical advances in production with the aims of reducing the consumption of materials and improving product quality has not been given appropriate attention. We have yet to establish a system for recovering discarded materials nor have policies been adopted to encourage frugality in the use of materials.

4. The regulations concerning financial expenditures and the use of assets and materials at state agencies, economic-technical quotas and weights-measures and product quality standards at basic production units are not being strictly implemented.

5. In addition to the causes mentioned above, degeneration and deviancy on the part of many cadres and party members who have abused their authority, made expenditures not based on principle, engaged in misappropriation, theft and so forth have caused much socialist property to be lost. Besides this, frugality has yet to become part of the consciousness of each person and the discipline and laws of the state are not strict.

To implement the Council of Ministers' decision on thoroughly practicing frugality, it is necessary to take the following measures:

6. We must build a rational economic structure with a view toward making frugal and effective use of the sources of capital for capital construction. Most importantly, we must rearrange the structure of production, make major adjustments to the structure of investments and be determined to cancel projects that are not deemed truly necessary. Investments must focus on the implementation of the three major economic programs in grain and food production, consumer goods and export goods as set forth in the resolution of the 6th Party Congress. In practice, however, it will not be easy to move in this direction. Because, the central state does not control all the materials and capital within the country and localism and ostentatiousness still prevail in some localities.

7. Revamping the economic management mechanism is an important measure in making production more efficient, guaranteeing the independence of economic units in production and business and implementing cost accounting. Enterprises are financially autonomous and responsible for their losses and profits. Enterprises which perpetually operate at a loss will be disbanded or put

under another form of ownership. This mechanism will spur competition among enterprises and economic units and compel them to make full use of their materials and labor with a view toward producing products of good quality at low costs. Planning, the financial mechanism and the ways in which materials are supplied and products are marketed must also be revamped in a well coordinated manner in order to avoid unnecessary losses and waste.

As regards the management apparatus, the state has issued many directives and resolutions on reducing staffs at state agencies. In actuality, however, the management apparatus is growing and becoming more cumbersome and ineffective with each passing day. To practice frugality, it is necessary to streamline the management ministries and eliminate unnecessary intermediary organizations which cause a bother and are costly to the people. This must be done at an early date. We must also restructure and coordinate production-business organizations, service organizations and material supply organizations so that materials reach production units and products reach consumers in a convenient manner.

8. Applying technical advances in production is the basic and long-range approach to economizing on raw and finished materials. The current trend in the world is to put new, efficient equipment into use and shift to technologies which produce little or nothing by way of discarded materials. In the GDR and Czechoslovakia, 80 percent of the materials saved are saved by this method. In our country, the immediate requirements are to closely tie scientific research to basic production units and implement technological improvements in order to achieve practical returns. At the same time, we must gradually apply scientific-technical achievements of the world within the different sectors of the national economy. For example, the application of results of biochemistry and the other sciences in the storage and processing of agricultural products (especially subsidiary food crops and grain) is a matter of very important significance. Today, there are very many types of discarded and scrap materials in our country, such as iron and steel, plastics, rubber, scrap paper and glass. Attention is not being given to collecting these items. A few types are being collected by individuals on a spontaneous basis. Therefore, what we need to establish is a system of organizations extending from the central to the local and basic levels to collect all types of discarded materials and organize and apply recycling technologies. This recycling will yield large economic returns. According to calculations made by experts, the refining of steel from scrap and discarded metals is usually 20 to 25 times cheaper than the process of refining steel from iron.

9. To implement the Council of Ministers' decision on practicing thorough frugality, it is also necessary to establish specific and uniform regulations, standards and ceilings requiring that materials and money be used in a rational manner consistent with the realities of life to provide the normal conditions needed for production

and work to be carried out efficiently. On the basis of economic and technical quotas, strict quality control must be implemented and there must be awards or penalties for units and individuals who record achievements in the practice of frugality or who harm socialist property.

Frugality must be practiced by means of scientific organizational and management methods and the establishment of the necessary material bases. For example, when we talk about saving electricity but do not sign an electricity contract with each family or do not provide an electric meter to each household, we cannot put an end to the loss and waste of electricity. In 1987, the Hai Duong Pottery Works, as a result of reorganizing its security force and the labor in its coal sorting operation, reclaimed an additional 1,800 tons of coal, enough to make 2 million more products. The Quy Nhon Rubber Works (Nghia Binh), as a result of establishing cost ceilings, using equipment in exact accordance with internal regulations, making full use of its capacity and reclaiming discarded materials, saved 5 tons of rubber and many other chemicals worth nearly one-half million dong during the first 9 months of 1987.

10. Storing and improving the quality of products:

The purpose of production, in the final analysis, is to put products into the hands of consumers, be it many or few products, be these products of high or low quality. In agriculture, if we were to make appropriate investments in storage and processing, the output of all types of products could be much higher. For example, if we were to reduce current losses by only 50 percent, millions of additional tons of grain would be available. Or, if bags were available and transportation was timely, millions of tons of cement would not become hard and unable to be used.

Within industry, frugality in the consumption of materials must go hand in hand with maintaining product quality (that is, frugality must be practiced to the extent permitted by economic-technical standards). Frugality does not mean producing products that are of very poor quality or only last for a very short time. Frugality is not simply a matter of reducing the quantity of materials consumed, but mainly producing more products of better quality using the same quantity of materials. In consumption, frugality is holding expenditures at levels that are necessary and productive within the scope permitted by production and labor productivity, not being extravagant with and wasting public funds. Therefore, there must be strict regulations on product quality, specifications and standards which apply in each stage of production up until the final product is completed. We must encourage the production of high quality products and impose economic penalties upon enterprises that produce products of poor quality which do not meet specifications.

11. A constant effort must be made to teach frugality. Each policy and decision is only effective when it becomes actions taken on one's own initiative and part of the everyday life of each citizen.

A variety of forms of organization must be established to encourage and build a movement among the masses to voluntarily practice frugality. Besides education, we must wage a resolute struggle against negative phenomena and promptly prosecute cadres and party members who abuse their authority, engage in misappropriation or theft or intentionally violate principles and cause a serious waste of socialist property.

Footnote

1. K. Marx-V.I. Lenin: "On Frugality and Raising Labor Productivity," Hanoi Su That Publishing House 1971 p 22.

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Behind the Times and How We Perceive Economic Theory

42100007c Hanoi TAP CHI CONG SAN in Vietnamese No 2, Feb 88 pp 20-24

[Article by Tran Ho]

[Text] For nearly 6 decades, our party has been creatively applying Marxism-Leninism in many fields. However, during the past 12 years, ever since the entire country embarked on the socialist revolution, we have committed many mistakes and shortcomings in socio-economic leadership, one of the especially important causes of which has been the fact that we have lagged behind the times in theoretical perceptions. This backwardness has been evident in the following areas: we have failed to promptly map out a socio-economic strategy and lay the theoretical basis for such matters as the structure of the economy and the social management mechanism, socialist democracy, the contradictions and moving forces in the development of society, building the party within the context of the party being the party in power, etc. Concerning these matters, most shortcomings have arisen in transforming and building the economy during the period of transition to socialism in our country.

After completing the national, democratic revolution nationwide, we should have immediately adopted a comprehensive strategy on the socialist revolution, a strategy based on materialism and the dialectic, a strategy of a highly scientific and realistic nature, a strategy prepared years in advance and aimed at transforming and building the country in a planned manner. However, caught unprepared, we applied models and experiences developed and gained in transformation and construction in the North in preceding years to the socialist revolution nationwide. Limited in scope by historical circumstances, the socialist revolution in the North at

that time mainly supported the nation's resistance against the United States for national salvation. Our people's patriotic war completely controlled the line and tasks of the socialist revolution in the North. This was a limitation. It was, therefore, inappropriate to apply the models used in the North in transformation and construction to the South under different conditions and circumstances.

The period of transition is a special stage of history in which the economy consists of many different segments, is a period of partly socialist and partly non-socialist change, a long and complex period of transformation and building to establish the new, socialist mode of production. Transformation must be carried out throughout the period of transition. However, we sought to complete it immediately, sought to achieve socialism in its entirety in only this initial stage of the period of transition. As a result, we only perceived the existence of the state-operated economy, the cooperative economy and a small private economy and did not take into consideration the movement of the law that production relations must be consistent with the nature and level of development of production forces. Instead, we sought every possible way to quickly abolish the self-employed economy and the private economy by incorporating the entire self-employed economy within the state-operated economy and bringing the major portion of the private economy into cooperatives so that we could declare that socialist transformation had been virtually completed in our country.

In addition, we were confused about the stage of the period of transition and, therefore, failed to accentuate the primary tasks in each stage of the period of transition in our country. Establishing the fact that the period of transition evolves in stages is a matter of very important practical significance in defining the central tasks of each stage, in not confusing one stage with another and in avoiding skipping stages and wanting to complete all the tasks of the period of transition in a short period of time.

In some Eastern European countries, the proletarian dictatorship took over the management of the material-technical bases left behind by capitalism. This provided a very important material foundation for adjusting the economy for planned development based on establishing socialist production relations. Our country is advancing from a backward agriculture to socialism. Establishing the new mode of production is a long and arduous process for which there is no precedent in the world. Consequently, we must grope along. In transformation and construction within our country, attention must be given to two areas. The struggle between the two paths in our country, although very sharp and complex, differs from this struggle in the countries mentioned above because there is no developed capitalism; on the other hand, we are also encountering many difficulties and hardships due to the lack of material-technical bases left behind by capitalism. Here, we must build entirely new

production forces by means of socialist industrialization—the central task throughout the period of transition—beginning by making agriculture the front of foremost importance and closely combining industry and agriculture through the three major economic programs. For decades, however, we have been paying a price for our desire to build new, large-scale projects without taking into consideration needs or capabilities and with no regard for economic efficiency just as long as new projects arose.

One very important lesson we learned is that we failed to respect and act in accordance with the requirements of laws. Over the years, many positions and policies of the state have failed to strongly stimulate the development of production and have not exerted a good impact from the standpoint of stabilizing production and everyday life. This reflects the improper application of economic laws, particularly the law that production relations must be consistent with the nature and level of development of production forces.

We exaggerated the role of new production relations, maintaining that whenever new production relations based on public ownership of the means of production emerged, production would surely develop strongly. This being our perception, we sought to move production relations one step ahead in order to “open the way” for the development of production forces. But such could not be done in real life. At more than a few high level, large-scale agricultural cooperatives, the yield and income of cooperative members were lower than those at small-scale cooperatives. In the present situation, the economic returns and income of workers within the private economy are higher than in the collective economy. The economic returns and income of workers within the collective economy are higher than in the state-operated economy. When production relations lag behind production forces, production is impeded. But if production relations are too far ahead of the level of development of production forces as a result of our desire to make them so, not as a result of the needs of development, they will also impede production. We must correctly understand the dialectical relationship between production forces and production relations. The development of production can only be stimulated when production relations and production forces correspond to each other in a rational way.

Operating on the basis of public ownership of the means of production does not mean that every enterprise will surely develop its production and achieve high labor productivity. Merely establishing public ownership is not enough. Although it is the most basic aspect of production relations, it cannot stimulate the development of production and yield high labor productivity. The problem lies in correctly selecting and establishing rational economic forms once public ownership of the means of production has been established in order to put this ownership into practice. If the wrong economic forms are selected, not only does public ownership of the

means of production become meaningless, it also causes bankruptcies in production and business. Creative and diverse forms of management and distribution must be closely tied to socialist ownership with the aim of implementing this ownership.

We made mistakes in applying the law of value and dealing with matters concerning the relationships between goods and money. For a long time, operating under state subsidies, we failed to take into consideration the movement of the law of value and virtually denied its existence. In practice, it continued to exist and exert an impact within the economy. When the conservative approach was criticized, we turned around and “floated” prices and allowed the law of value to exert a spontaneous impact, which adversely affected the economy. Today, through the realities of production and everyday life, we see that it will still be a long time before the consequences of the major price adjustment and money exchange in 1985 will be overcome so that we can stabilize the country's socio-economic situation.

Things exist within a unity of constantly moving and developing opposites. In socialism, there are also contradictions, such as between production forces and production relations, between the infrastructure and the superstructure, between the working class and the class of collective farmers and other laborers, among economic interests and so forth. Moreover, with our country being in the initial stage of the period of transition, these contradictions are even more obvious, with the overriding contradiction being the contradiction between the two paths of socialism and capitalism. There was a time when we gave light attention to, even denied the existence of, these contradictions and did not consider contradictions to be moving forces behind the development of society.

In carrying out such a major and brand new undertaking as socialist construction under a set of circumstances such as those that exist in our country, it has been difficult for our party to avoid mistakes and shortcomings. However, it should be said that we allowed these mistakes to persist for far too long, thus causing much harm and many negative phenomena in our socio-economic life.

Why do our theoretical perceptions lag behind the times?

First, mention must be made of bureaucracy, voluntarism and being quite taken with ourselves over achievements recorded in the past.

It was thought that whenever victory was won in the resistance against the United States for national salvation, we could “move mountains” in economic construction and rapidly advance to socialism, “making the progress of 2 decades in only 1 day,” even though we lacked the necessary material conditions. In war, we had to comply with the laws of war. In economic work, we must comply with economic laws.

When adopting socio-economic development plans and norms, our starting point was subjective desires. We did not give consideration to the material conditions needed to guarantee that these plans and norms would be implemented. The norms on the output of grain, coal and so forth set at the 4th Party Congress in 1976 have still not been met.

On the other hand, many persons have been biased toward categories and laws that existed in the old society. It has been their thinking that things born in the old society cannot be used in socialism. They have not truly acknowledged the fact that the laws of commodity production exist in an objective way under socialism. More than a few persons have asserted that the law of value born under private ownership is the complete opposite of socialism based on public ownership of the means of production. Therefore, they have sought ways to limit and nullify the impact of this law. Following this outmoded line of thinking, they concluded that anything which does not exist in the high stage of communism will gradually disappear as socialism develops, such as the law of value, the law of distribution in accordance with labor. However, real life has shown that as commodity production develops and labor productivity rises under socialism, increasingly better conditions are created for the full implementation of the law of distribution in accordance with labor.

For a long time, on the basis of these mistaken views, many persons did not concern themselves with using economic levers in production and business, such as prices, wages, profits and so forth. Some persons did not even dare talk about profits or dare to make full use of the categories of commodity production in building the socialist economy.

Secondly, we failed to make the realities of Vietnam our starting point in researching and applying the universal principles of Marxism-Leninism. Most importantly, instead of making our country the object of research, we automatically adopted in their entirety things of other countries which are not compatible with our country's circumstances. In our country's economic activities, operating at any price and not taking the conditions and circumstances of our country into consideration virtually became a habit, a very dangerous habit that caused much waste.

Thirdly, full attention was not given to conducting a serious review of transformation and construction, to reviewing the advanced models among basic units.

To evaluate the implementation of resolutions of the party and state, the central level conducted pilot projects within a number of localities and basic units. Many movements were launched, such as the socialist transformation of the various segments of the economy, the product contracts within agriculture, the building of the

district level, the granting of independence to basic economic units in their production and business, the improvement of management in distribution and circulation, etc.

In each of these movements, we should have organized a practical review and promptly drawn useful lessons with the aim of correcting shortcomings and correcting mistaken views while building upon universal, nationwide experiences, developing these experiences into theory and building appropriate models. Very regrettably, however, this has not been done in a serious manner.

Fourthly, we have not put democracy into practice in theoretical research and theoretical work is weak from the standpoint of being work in which the masses participate.

It is necessary to overcome the phenomenon of imposing incorrect perceptions and compelling everyone to blindly speak in accordance with one's own views. The position of scientists is very important and broad conditions must be created for scientific cadres, particularly those in the social sciences, to participate in research work. We must mobilize many theorists to participate in research projects managed by the central level. In scientific research, personal authority may not be used to affirm or reach a conclusion in a hasty and crude manner concerning matters that are still complex and not yet fully developed. Rather, there must be democratic, objectively based research and debate in the true spirit of seeking answers.

We must combat the practice of "protecting the prestige" of the leader and not daring to openly admit to one's mistakes and shortcomings with regard to theoretical perceptions or the fact that theory is behind the times. Lenin, during the 3 years following the October Revolution, also committed mistakes concerning the relationships between goods and money. In 1921, on the basis of the realities of the Soviet Union, he declared that it was necessary to utilize the role of commerce and establish commodity trade between the state and peasants to restore and develop the economy.

Today, many of the curricula and textbooks in the social sciences, particularly political economics, at some of our colleges and party schools are outmoded compared to real life. The responsible agencies must arrange for these curricula and textbooks to be rewritten and brought in line with the new thinking. Some positions and policies of the state must also be promptly revised to be consistent with the new thinking and new views of the party.

Closely tied to the adoption of new thinking is the need for us to organize serious theoretical research. The state has given many scientific cadres a college or post-graduate education in many different sciences. At the same time, it has established numerous scientific research institutes. However, little use is being made of these institutes and the potentials of the institutes and

colleges are not being tapped to contribute to theoretical research. To prepare for the promulgation of a resolution by the Party Central Committee, it has been our habit to establish one subcommittee or another to draft the resolution, even though organizations researching these matters already exist within our apparatus. These organizations, however, are not used. For example, the matter of revamping the economic management mechanism should be assigned to the Central Economic Management Research Institute. If this institute is not fully capable of conducting this research, its cadres should be replaced and the institute should be strengthened through the addition of qualified cadres.

To expand and intensify the research on subjects managed by the central level, "satellite sections" must be organized within a number of institutes and colleges. These sections should have a division of labor and coordinate in the research of these subjects, such as the three major economic programs. Periodically, the results of this research must be examined and fairly evaluated. For a long time, we have been organizing research but not fully evaluating its results, particularly with regard to projects in the social sciences. It is necessary to develop the very important role played by scientists, especially leading cadres, with particular attention to methodology, the decisive factor in the adoption of new thinking.

In countries with different circumstances, the universal laws produce different results. However, it is still very necessary to selectively study the experiences of the fraternal countries. In addition to gaining experience in guidelines to follow, it is more important that we learn how problems are raised and resolved. We must exchange experiences with other countries on the specialist level. We must make accurate, timely and full information available. Together with closely tying what we learn to the realities of our country, we must constantly improve our perception of reality. These are the necessary prerequisites to effective theoretical research.

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Concerning the Renovation Campaign
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[Article by Hong Chuong, president of the Vietnam Writers' Association]

[Text]

Why This Need for Renovation?

In recent years, the communist and worker parties in practically all socialist countries have been carrying out renovations campaigns (also called restructuring or reform campaigns) on different scales, to different

degrees and at different rates. Why this need for renovation? It is demanded by the following situations:

First, the scientific-technological revolution is taking the world by storm, thus compelling the socialist countries to adopt a new approach. Only by adopting a new approach can these countries utilize the new achievements of science and technology.

Secondly, the struggle between socialism and capitalism in the world in the new stage demands that the socialist countries adopt a new approach. Only by carrying out the renovation campaign can the socialist countries free themselves from stagnation and record new achievements in the work of building the new society.

In fact, the economic management mechanism currently in effect within the socialist countries was born during a period of economic development in breadth. It is not compatible with intensive economic development. It has impeded the application of achievements of the scientific-technological revolution in production. It does not encourage higher labor productivity. It is the source of stagnation. In the past, when economic development in breadth was still possible, this mechanism stimulated economic development for awhile. However, in the new period, this mechanism has lost its vitality. It has become an impediment to the development of the socialist economy. If we do not dismantle this economic management mechanism and build the new mechanism, we cannot advance the cause of socialist construction to new levels of development.

Renovation—the New Stage of Development of Socialism.

Scientific socialism was born 140 years ago (with the publication of the "Communist Manifesto"). This 140 year history can be divided into two periods of equal length: the first 70 years, or theoretical socialism (socialism only in books) and the second 70 years, or real socialism (socialism in practice). During this second period, there has been further development of the theory of socialism.

On the basis of analyzing capitalist society, the founders of scientific socialism, Marx and Engels, predicted that mankind would advance to a truly beautiful society, communist society. According to them, the communist revolution would not only be national in nature, but would simultaneously occur in all civilized countries, that is, at least in Great Britain, the United States, France and Germany. Communism would consist of two stages: the low stage, in which everyone works according to his ability and receives according to how much he works; and the high stage, in which everyone works according to his ability and receives according to need. This was truly remarkable foresight, but it was still only a theory. When Marx and Engels were alive, no one could visualize the specific details of how future society would be organized, especially during the period of transition from capitalism to communism.

With the success of the Russian October Revolution, socialism became a living reality on one-sixth of the earth. Lenin applied the fundamental principles of Marxism to organize the new society. In the early years, due to the war against the armed intervention by the imperialists and the civil war, Lenin pursued a war time communist policy. The proletarian dictatorship state, through administrative measures, took direct control of production and distribution throughout society. Commerce was abolished. This policy had the effect of guaranteeing that the army would be supplied with the grain and materials needed to win victory over the enemy. It was a policy that was compatible only with war time, not peace time. When the war ended, this policy was opposed by peasants. Acting promptly and wisely, Lenin canceled the war time communism policy and shifted to the new economic policy.

Socialism in the Soviet Union during the period of the new economic policy was socialism with commodity production, trade and the circulation of money. The requisitioning and confiscatory purchasing of grain were abolished and replaced by the grain tax policy. The state implemented a policy of incentives through economic levers (prices, money, wages, profits, taxes, credit, banking and interest rates). Enterprises had to practice cost accounting and reclaim capital on their own and were responsible for their losses and profits. The economy consisted of five segments, with the dominant role being played by the state-operated segment. The state developed the economy in a planned manner on the basis of respecting objective laws and applying the relationships between goods and money. Besides temporary tactical aspects demanded by the situation at that time, Lenin's new economic policy also embodied the fundamental principles of building a socialist economy, the violation of which would be a serious mistake and lead to exceedingly harmful consequences.

After Lenin died, his new economic policy could no longer be implemented. The CPSU, headed by Stalin, adopted a completely different economic line than the one that was in effect when Lenin was alive. A different economic mechanism emerged, one characterized by bureaucratic centralism, administrative procedure and state subsidies. A system of management by administrative measures was widely employed in place of incentive measures through leverage policies. Cost accounting and the requirements that each enterprise reclaim its own capital and be responsible for its losses and profits were replaced by sweeping state subsidies. Excessive centralized planning accompanied by numerous legally binding norms killed the spirit of initiative and creativity of economic units on the basic level. Subjectivism, voluntarism and the failure to give consideration to objective laws when mapping out economic policies prevailed. The market factor was not taken into consideration. The commodity economy that existed during the period of Lenin's new economic policy became an economy of direct barter.

The model of socialism of the 1930's exhibited not only economic shortcomings and mistakes, but serious political mistakes as well. Lenin's teaching that socialism is "one million times more democratic than bourgeois democracy" was not followed. The erroneous view that "the class struggle would grow in intensity as socialism approached victory" led to campaigns of suppression. In the fields of ideology and culture, a one-sided dictatorship replaced freedom of debate and creative freedom. Lenin's principles of party life were violated. And, generally speaking, the human factor was given light attention.

During the past 70 years, the people of the Soviet Union, under the leadership of the CPSU, have recorded great achievements, carried out the industrialization of the country, collectivized agriculture and carried out the cultural revolution. They have made their once poor and backward country a prosperous and strong country that ranks among the superpowers of the world. They have staunchly defended the first socialist country. They have provided enormous assistance to other countries and staunchly defended world peace. Were it not for the limitations and mistakes, the achievements of the Soviet people would have been larger and socialism would have developed more rapidly and strongly.

During the past 70 years, socialist construction in the various socialist countries has recorded great achievements. At the same time, it has been marked by problems and mistakes. With the experience gained from the past, the renovation campaign currently under way in many socialist countries is aimed at correcting the mistakes that were made and charting the course of modern day socialist construction, a course compatible with the new age. This campaign adheres to the fundamental principles of socialism while rectifying incorrect views and abandoning old and outmoded policies, methods and organizations that are not compatible with the new age. It will take socialism back to its philosophical roots—Marx and Lenin. It will bring new vitality to real socialism.

The renovation campaign will change the structure of real socialism as it exists today. It will simultaneously change the economic structure and the political structure of socialism. As regards the economy, it will convert the current economy based on trading material resources into a commodity economy. Politically, it will bring about democratization through openness. The renovation campaign is taking place not only on the level of the infrastructure, but also within the superstructure. It is occurring not only within the economic field, but within the political and ideological fields as well. Because, mistakes regarding the economy have their origins within the political system. Only by restructuring the political system is it possible to restructure the economy.

Renovation is a sharp struggle between the new and the old. The old does not voluntarily give way. An arduous struggle must be waged in order for the new to prevail and replace the old.

Examined from the perspective of both the breadth and the depth of the changes it is bringing about, the renovation campaign is truly a revolution. It is a revolution within real socialism.

However, it should not be thought that the renovation campaign can immediately lead to a new model of socialism to replace the model with which so many limitations and so much backwardness are associated. The modern model of real socialism can only come into being gradually in the process of gaining a correct, scientific and full perception of socialism and abandoning simplistic and backward views concerning it as well as in the process of a long and arduous struggle by millions of working people to build socialism. Within each individual country, the model of real socialism will be unique in its own way and unlike that of the other countries depending upon each country's political, economic, social and cultural situations, upon historical conditions and national traditions. The specific model of real socialism within each country will be created by the working class and laboring people of that country under the leadership of their Marxist-Leninist party.

Real socialism has existed in the world for 70 years. However, it still does not have a correct and complete system of theory. A clear and complete model of real socialism cannot be found in the works of the classical authors of Marxism-Leninism. Marxism-Leninism is a compass. By following this compass of Marxism-Leninism, the working class and laboring people of all countries under the leadership of a communist party will create a correct model of real socialism. Lenin taught: "Get started first, then we will see what emerges!" Let us not criticize the renovation campaign for not coming to us with an already existing and correct model of real socialism. The revolutionary significance of this campaign lies in the fact that it will show us that the existing model of socialism is no longer suitable in many respects and that we must create a new model of real socialism to advance the cause of socialism construction to new stages of development.

To Begin With, We Must Adopt New Thinking

To bring real socialism from bureaucratic centralism and state subsidies to cost accounting and business practices, it is first of all necessary to adopt new thinking concerning socialism. We must re-examine our concept of socialism, retaining that which is correct and correcting that which is wrong. We have long held some incorrect concepts concerning socialism. We have called socialist some things that are not. We have maintained that certain things which are not exclusively associated with capitalism are features of capitalism only.

In the past, we held that commodity production was closely tied to capitalism; that the capitalist economy is a commodity economy; and that the socialist economy is not a commodity economy. Clearly, these perceptions were incorrect. Today, the following view is widely

recognized: the socialist economy is a planned commodity economy based on public ownership of the primary means of production. Together with the misconception concerning commodity production, our perceptions concerning a host of other matters, such as the law of value, surplus value, profits, the market, the relationship between supply and demand and so forth were also incorrect. These mistakes led to a failure to respect objective laws, to subjectivism and voluntarism in building the socialist economy. Today, everyone acknowledges that the law of value continues to exert its impact under socialism. Of course, its impact under socialism is not the same as it is under capitalism. Under socialism, the impact of the law of value is controlled by the fundamental economic law of socialism. However, it is a mistake to deny that the law of value exerts an impact under socialism. Only by applying the law of value, market relations and the relationships between goods and money can we build a socialist economy.

As regards private ownership, we once maintained that the more rapidly and uniformly public ownership was established the better, regardless of whether this benefited the development of production or raised labor productivity. This led us to being impetuous and carrying out the socialist transformation of production relations. Attempting to abolish the private and self-employed segments of the economy at a time when these segments were still playing a positive role led to adverse consequences for socialist construction, particularly in the initial stage of the period of transition. Life has shown that on the basis of public ownership playing the dominant role, the existence of many forms of ownerships and modes of business is necessary in the period of transition. The correct economic policy to adopt in the period of transition is to strengthen and develop the state-operated economy into the dominant force; consolidate and strengthen the collective economy; and utilize and manage the other segments of the economy, fully developing the impact of those segments which produce products that are more useful while continuously consolidating and strengthening the socialist segment of the economy. Each citizen must be encouraged to invest in production and the services through a variety of forms: private economic units, self-employed economic units, private corporations, joint public-private combines and the household economy of manual workers, civil servants and cooperative members. The state must recognize the permanent existence and positive impact of the household economy, the private economy and the self-employed economy in production and the services; protect the right to own and inherit property and the lawful income of the citizens working in these economies. The state must permit self-employed economic units to hire manpower in accordance with their technological standards and economic returns. At the same time, it must require that self-employed units fully guarantee the legitimate interests of their workers and fulfill their obligations to the state in accordance with state regulations.

As regards national ownership, we previously joined the right of ownership and the right to do business as one.

Now, the two are separate. All the people cannot operate the business of an enterprise under national ownership. When the state directly operates this business, it usually leads to a situation in which "there are too many monks and no one left to close the temple doors." Separating the right of ownership and the right to do business, granting the right to do business to enterprises and establishing the correct relationship between the owner and the businessman imbues the enterprise with new vitality. The enterprise is independent in its business, recovers its capital on its own and is responsible for its losses and profits. This does not change the nature of national ownership of the enterprise, rather it fully develops upon the superior nature of public ownership.

As regards planning, we previously maintained that the greater the planned and legally binding nature of the plan was, the higher the degree of centralism of the plan was, the better. This was an incorrect understanding of socialism. Direct management primarily through a legally binding norm became an obstacle to the development of the commodity economy. Today, many socialist countries have adopted the policy of shifting from planning by legally binding norms to planning through economic contracts and orders for goods. Planning is based mainly on commodity trade in accordance with the law of value. The state manages the economy primarily through indirect management methods. The state regulates supply and demand on the market primarily through economic and legal measures, thereby creating favorable economic and social circumstances for enterprises to develop their production and meet the needs of the market. The plan is formulated on the basis of orders for goods and economic contracts between the state and the enterprise and between enterprises themselves. The scope of the legally binding plan has been reduced.

As regards the economic management functions of the state, the state has, up until now, provided both administrative management and production-business management. Today, the policy is to separate the production-business management function from the administrative management function of the state. The economic management function of the state has been redefined and correctly implemented. The function of managing production and business has been returned to the economic units in conjunction with the formation of production-business federations and the restructuring of the state's economic management apparatus. The state is part of the superstructure. It manages the economy and society in accordance with laws. Economic units are part of the infrastructure and fulfill a production-business function. Merging the superstructure and the infrastructure as one and confusing the function of providing management in accordance with laws and the production-business function inevitably led to a dual consequence: on the one hand, production and business cannot be carried out, which has caused them to stagnate; on the other hand, we are unable to manage the economy and society in accordance with laws on a society-wide basis. Only by restoring the production-business function to economic units can the socialist economy develop.

In distribution, the egalitarianism that existed under the previous system of state subsidies did not encourage higher labor productivity because good, active workers received just as much as poor, lazy workers. Now, state subsidies and material allotments are being abolished and distribution in accordance with labor is being implemented. At the same time, other forms of labor are being applied to supplement those that already exist. In the initial stage of the period of transition, five different economic segments still exist. The owners of private enterprises derive some of their income from sources other than labor. This is lawful income. On the other hand, in order to mobilize the capital needed for socialist construction, interest must be paid to persons who contribute capital.

Concerning the contradictions within socialism, we previously maintained that there was no contradictions within socialism between production relations and production forces. Today, everyone recognizes that under socialism, production relations (with their specific forms of planning, management, prices, wages, profit distribution, finances and credit) are in contradiction with production forces. There is also the contradiction between the infrastructure and the superstructure of socialist society. The management mechanism based on bureaucratic centralism and state subsidies is seriously tying the hands of production forces and preventing them from developing. We must remove these constraints and liberate production forces if society is to move ahead. This not only demands that we revamp the management mechanism, but also that we revamp the excessively centralized political mechanism that gave it birth. At the same time, we must overcome a state of anarchy: the natural reaction against the management mechanism based on bureaucratic centralism.

Bureaucratic centralism is the result of a vague understanding of the proletarian dictatorship. To overcome bureaucratic centralism, we must practice broader democracy. We must make socialism, as Lenin said, "one million times more democratic" than bourgeois democracy. An effective way to achieve socialist democracy is through openness. Openness and democratization go hand in hand.

The socialist state manages society by means of laws. The socialist system of law must be respected by everyone. Everyone is equal in the eyes of the law. All special rights and privileges must be abolished. Together with the principle of distribution in accordance with labor, the principle of social fairness is a force spurring everyone to make every effort to build socialism.

In the field of culture, the adoption of new thinking demands that we correctly understand the importance of education, literature, art, public health and physical culture-sports. We should not consider these fields to be

"non-productive" and give them light attention. Without these sectors preparing people mentally and physically, there is no premise for carrying out the scientific-technological revolution. Importance must be attached to "gray matter." If a mental laborer who must spend decades in training receives only as much or less than a common laborer who is trained for only several months, only several days and sometimes not even at all, society cannot move ahead.

We must also adopt new thinking concerning the human factor. Liberated people who determine their own destiny is the fundamental factor in the building of socialism. Socialism's primary objectives are: for man, for the happiness and wholesome development of man. This also means that people are an objective in and of themselves.

When discussing the role of the human factor, we must first discuss the role of the masses. The role played by the leader, by the eminent personality is, of course, important. But if the role of an outstanding individual is exaggerated, particularly if the individual is worshipped, the role of the masses as the creators of history will inevitably be denied.

We need to adopt a new evaluation, a new thinking concerning the role of the human factor in socialist construction. Man creates all material and spiritual wealth. It is from man that new thinking and new solutions come. Consumer man satisfies his own material and cultural needs. Correct social policies not only satisfy the material and cultural needs of man, but are also a strong force encouraging man to develop his capabilities in order to build socialism.

Socialism has recorded great achievements in liberating the nation, in liberating society. However, due to limitations imposed by the objective situation and subjective mistakes, socialist democracy has yet to be fully put into practice. The human factor has not been appropriately tapped. The free development of each person stimulates the development of all society. By fully developing the role of man, socialist construction will reach new and extraordinary stages of development.

Finally, it is necessary to adopt new thinking concerning foreign relations. Under the impact of the scientific-technology revolution, the internationalization of the life of all nations is a growing trend. Today, a country, be it large or small, which closes its doors and does not expand its exchanges with the outside world cannot develop. To catch up to other nations, we must participate in the international division of labor and expand our economic and cultural relations with other countries, most importantly the Soviet Union and the fraternal countries within the socialist community.

The renovation campaign is a common trend and a vital need of the socialist countries. The profound reforms being carried out will bring about changes in the life of

socialist society, will bring modern forms of organization to socialism, will enhance the humanitarian nature and the superiority of the socialist system in all fields—the economy, politics, culture, society, thinking, ethics and lifestyle. Through the renovation campaign, the people of the socialist countries will reach new pinnacles in their work of building the new society.

7809

Enhancing the Functions of Criticism and Transformation of Marxist-Leninist Theory

42100007e Hanoi TAP CHI CONG SAN in Vietnamese No 2, Feb 88 pp 32-36

[Article by Vu Nhat Khai, M.A. in Philosophy]

[Text] For a rather long time, especially during the past several years, socialist construction in our country has shown signs of slowing down and coming to a standstill. In some areas, significant steps backward have even been taken. The revolution is facing large and serious difficulties. However, we have been slow in trying to overcome these difficulties.

In this situation, the vanguard role of theory, theory's role in providing direction and guidance have declined. In more than a few cases, theoretical arguments have stood in the way of practical revolutionary activities and impeded the process of development of society. Of even greater danger is the fact that these theoretical views are nothing more than childish, simplistic and largely "utopian" perceptions of socialism and the path to socialism.

The most vivid manifestation of the backwardness of theory and the fact that theory is far removed from everyday life can be found in theoretical research projects. A real and dynamic socialism that develops in accordance with the dialect of internal contradictions and under the impact of its moving forces has yet to be found. There are even some Marxist philosophers who believe that in socialist society, especially in societies that have entered the stage of developed socialism, the moving force behind the development of society is not the internal contradictions of the mode of production, but the political-ideological unity of the members and strata of society. They make every effort to prove the compatibility between production forces and production relations, but feel no need and even hesitate to bring to light and resolve the contradictions that exist and those that are constantly arising between these two aspects of the mode of production in socialist society.

For a long time in our country, many persons have only argued for "compatibility between the newly established socialist production relations and the nature and level of development of existing production forces." They maintain that "the new production relations have been and are creating broad bases for the development of production forces," even though socialist transformation,

industrial production, small industry and the handicraft trades and especially fishing and agriculture have shown signs of stagnating and declining. And, there are other similar problems. It can be said that theoretical research in recent years has not kept abreast of the burning, real issues of the revolution, has not fulfilled its role of providing direction and practical guidance, and has not become the tool by which we keenly perceive and courageously bring to light newly emerging contradictions, backwardness and negative phenomena that have existed for far too long.

In recent years, in our country as well as many other socialist countries, very many new and dynamic phenomena have emerged. These phenomena have occurred universally and repeatedly, that is, they are phenomena tantamount to laws. To the social sciences, to persons engaged in theoretical research, when such "events" emerge in experiments as well as in everyday life, events which go beyond the framework of the established system of theory, events which are not consistent with and are even contrary to confirmed views that have long been considered "common reason" by everyone, they present favorable opportunities for supplementing, developing upon and perfecting the existing system of views. It is regrettable that these events have not received the full attention of theoretical circles. It is as though some persons engaged in theoretical work have lost the sensitivity to detect and grasp signs of incompatibility between theory and life. Correctly stated, our complete lack of sensitivity to these "inconsistencies" is not something recent. The stagnant and rigid thought patterns that have prevailed for a very long time have caused our "theoretical sensitivity" to become "dull" and "hardened." We have known about the phenomenon within agricultural cooperatives of cooperative members abandoning their fields of mature rice to go into trade; about the ponds and gardens, once large sources of income to farmers, that became useless when they were put under public ownership by the cooperative; about the collective hogs, buffalo and cattle of cooperatives that became emaciated and died in large numbers during the cold winter months. We have also known about and, moreover, personally suffered the consequences of poor services, the decline in production and the operating losses of enterprises in industry, small industry and the handicraft trades (increasingly monotonous products, increasingly poor product quality). However, although we have known about these things, they have not made anyone feel uneasy or troubled when speaking or writing about the superior nature of the collective way of earning a living, about the compatibility between production relations and the nature and level of development of production forces. Other examples can be cited. Why have dogmatism and classicism been allowed to prevail in our theoretical life, especially in the social sciences, in this way?

To begin with, as regards theoretical perceptions, we have made mistakes in understanding and applying Marxist-Leninist theory. Many principles and arguments

explained in the works of the classical authors have been considered "absolute truths," that is, ultimate truths in the process of recognition. Marxism-Leninism is the embodiment of all the knowledge of mankind, is one of the pinnacles reached by mankind in the process of learning. However, it, like every other system of knowledge acquired by mankind in a given period of history, is only a system of relative truths. Marxism-Leninism is all-powerful not because it represents eternal truths or the "last argument." As is the case with every other science, its strength lies in its ability to incorporate new knowledge, to change and improve itself and, as a result, more fully, accurately and comprehensively reflect the objective world, that is, in its abilities in the process of development, in always moving closer to, not away from, objective truth.

As genuine scientists imbued with the spirit of revolutionary criticism of the material dialectic, the classical authors of Marxism never considered their theory to be a closed system consisting entirely of "eternal truths." In the preface to the "Communist Manifesto" published in 1872, some 25 years after this document was written, F. Engels himself wrote: "The practical application of the principles will depend, everywhere and at all times, as the Manifesto itself states, on the historical conditions existing at the time and, for that reason, no special stress is laid on the revolutionary measures proposed at the end of Section II. That passage would, in many respects, be very differently worded today." ¹ More than 1 century of "earth-shattering" changes has passed since Engels wrote this preface. We are living in a changing world, a world of things which were not foreseen in the predictions made by the classical authors, but which even we in modern terms never thought possible not too long ago. Yet, how much have we done to supplement, develop upon and revamp the arguments in the body of theory left to us by the founding fathers? It is normal for theory not to foresee the development of reality in all its specific changes and diverse manifestations. Moreover, in everyday life, events occur which lie outside the framework of the existing system of theory, events which even go against traditional arguments. This, too, is normal. These events, on the one hand, do not reflect the full content of all the things that have been predicted or planned in thinking; on the other hand, they might go far beyond existing thinking. They bring to light factors not predicted by an existing system of theory and cause new and unexpected aspects to emerge that take us by surprise. The thorough implementation of the principle of consistency between theory and practice does not mean that whenever and wherever in the process of the development of real life certain contradictions and "inconsistencies" between theory and practice arise, we must change practice to be consistent with theory. Rather, we must supplement and develop upon existing theory on the basis of the real events in life. Theory must be able to change and expand itself to reflect and grasp new events, even though these are frequently harsh events and "painful truths." Considering some of the arguments of

the classical authors to represent absolute truth, dogmatically exaggerating the degree of truth represented by Marxist-Leninist theory and having absolute confidence in and loyalty to Marxism-Leninism in a way similar to the fanaticism of religious followers in their religious beliefs have actually rather significantly limited our ability to think independently and impeded us from taking creative, brave, decisive and practical actions. For a rather long time, we have found it very difficult to accept things in practice that were not addressed by the classical authors. Things contrary to "traditional" arguments have been considered contrary to the truth and rejected by us.

Caution in science is necessary. However, a "vigilance" that is conservative in spirit and illogical seriously impedes man's perception and practical activities. If we exaggerate and consider as absolute as a religious belief the talents, prestige, knowledge and wisdom of the classical authors of Marxism, we will easily be led to the feeling that "the classical authors said it all and said it all correctly; we should not think any further and definitely should not do anything differently!" And, worse yet, we view skepticism in how things are perceived, which is a very natural and necessary part of the development of theory and science, as vacillating and wavering from the ideological line and political view and consider discovering and criticizing irrational factors in existing positions, policies and regulations to be a reaction against the system, to be opposition to the system. This harmful mistake has turned theoretical research (a very tedious and rigorous spiritual activity which demands enormous mental energy of the researcher and frequently requires that he wrestle with things and torment himself to discover new truths, contradictions within things and things tantamount to laws that are hiding behind events) into the work of explaining and praising, more often than not, in a very shallow and insipid manner, things that have become outmoded and are no longer compatible with conditions, which have changed completely. This situation has led to a regrettable consequence: the emergence within theoretical circles of some researchers who are opportunists. These "researchers" quickly learned some "tricks of the trade." Their most important standard in research activities is to speak or write in a way acceptable to the authorities. And, it must be said, they have shown themselves to be very artful in their use of language. For example, when they want to make light of subjective mistakes or shortcomings, there is a "theory" on the decisive role played by objective conditions, so decisive that the situation is not changed much even if a mistake or shortcoming is committed. Or, when economic management policies and measures impede and restrict instead of develop production, they have the "theory" that the compatibility between production forces and production relations must be understood as a process, etc. Such "theories" are not tools used to discover the truth, to bring contradictions to light and guide practice, but become "fake flowers" adorning things outmoded.

Opportunism in theoretical research also manifests itself in "blowing in the wind," in saying one thing at one time but something else at a different time depending upon whatever suits convenience, with no basis in science or principle, with the aim of serving an improper purpose.

Therefore, the value system within the field of scientific research has been turned upside down. Stagnation and conservatism are considered stability and perseverance; laziness and leniency are considered loyalty and devotion; shallowness and superficiality in thinking are considered a wholesome stand and wholesome thinking.

These mistakes have impeded the effort to create a broad base and favorable conditions for theoretical research activities and rather significantly limited the development of social perception. Contradictions are continuously arising and are always the internal moving force in the development of each thing and phenomenon. However, in theoretical research, we have given light attention to, even avoided bringing contradictions to light and pointing out the path and measures to be taken to resolve contradictions.

Our loyalty to socialism has been made synonymous with unconditionally accepting "a status quo without contradictions" of socialism. For a rather long period of time, many arguments in theory, many forms of organization of social life, many management, political, economic and cultural mechanisms, regulations and policies and so forth were considered absolute and, as a result, rapidly became rigid forms that were not compatible with and even impeded the development of their content. Clearly, one of the most important functions of theory, namely, to bring to light contradictions and criticize things in the "status quo" that are backward, negative and irrational, is not being fulfilled.

The implementation of the line on renovation set by the 6th Party Congress will encounter many difficulties if we do not intensify theoretical research, especially if we do not enhance the functions of criticism and revolutionary transformation of Marxist-Leninist theory.

M.S. Gorbachev said: "Before reaching a qualitatively new state of our society, we must win large victories in the intellectual field and take a basic step forward in the field of theory, in creative thinking concerning the new phenomena and new processes of life." ² In the face of these large and pressing requirements, it is even more necessary that we who teach and research Marxist-Leninist theory have a clear understanding of our very glorious and also very weighty responsibility. To fulfill this responsibility, those who work in the field of theory must adopt new thinking, must adopt correct and scientific methods of thinking and conducting research, must constantly equip themselves with theoretical "capital," supplement their practical knowledge and work with a sense of responsibility and a bold and creative attitude.

We must try to follow the teaching of V.I. Lenin: "The first obligation of persons who seek to find 'the paths to the happiness of mankind' is to not deceive themselves and to bravely and forthrightly acknowledge the truth..."³

Footnotes

1. Marx-Engels: "Selected Works," Hanoi Su That Publishing House 1980 Volume 1, p 504.

2. M.S. Gorbachev: "Speech at the Conference of College Social Science Department Heads," (Soviet Union), PRAVDA Newspaper 2 October 1986.

3. V.I. Lenin: "Collected Works," Moscow Progress Publishers 1978, Volume 1, p 510.

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Concerning Present Theoretical and Ideological Activities

42100007f Hanoi TAP CHI CONG SAN in Vietnamese No 2, Feb 88 pp 37-40, 45

[Article Ho Van Thong, Professor of Philosophy]

[Text] Very regrettably, many of our cadres, when learning and spreading Marxism-Leninism, have not "dealt with it as a science," have not recognized or applied its system of laws. In particular, they have not been imbued with its spirit and dynamism and creativity. In more than a few cases, they present Marxism-Leninism as fine ideals and ethics concerning social equality, fighting oppression and exploitation. This approach does not delve into the essence of Marxism-Leninism in many of its very basic aspects and allows abstract sentiments, particularly those of the East, to drag us back to the past. The communist attaches importance to sentiment and ideals. However, all sentiment and ideals must be drawn from and based on understanding and applying the objective necessities in the movement of society, on our subjective desires. Sentiment and ethics must lead to scientific theory. On the basis of scientific theory, we must cultivate the sentiments and ethics on which we act. In the socialist revolution, ignoring scientific theory usually leads to the tragedy of wanting to be "active" but actually being "negative," wanting to be "ethical" but actually being "unethical" and wanting to develop production but actually impeding it as a result of becoming stagnant and conservative.

At present, we face the pressing need to adopt a new approach in very many matters concerning theoretical views and practical organization in order to truly put into practice the essence of scientific communism and bring into play the superior nature of the socialist path in our country. To do this, we maintain that we must first take a hard look at the empiricism that exists in the practical guidance we provide and at our weaknesses in the fields of theory and ideology.

Experience is knowledge gained directly from the external manifestations of things and phenomena as a result of coming into contact with, observing or experimenting with them. It is the starting point, the exceedingly important initial base of human perception. The richer empirical knowledge is, the more data it provides for knowledge to become theory. In particular, in social activities, the depth of the life of each person is of utmost importance in achieving the correct perception of society. Without life experience, there is little ability to recognize and apply the theory of the social sciences. We oppose empiricism, not empirical knowledge. Empiricists place sole emphasis upon empirical knowledge and little regard for theory, for abstract thinking. Regardless of how important it might be, empirical knowledge is nothing more than a grasp of the external, not the essence of things, only a grasp of the simple sum, not the essential relationships among things. Placing sole emphasis upon empirical knowledge and going no further leads to subjectivism, conservatism and pragmatism. There is no basic, long-range direction to follow. Hiding behind events are more complex and deeper relationships and some fields that cannot be approached directly. Here, it is necessary to employ abstract thinking. Whenever man must search for the essential, for relationships tantamount to laws, it then becomes necessary to talk about theory. When experience can go no further, theory begins. Geometry came into being as a result of the surveying of fields, but surveying alone would not have led to geometry.

Theoretical knowledge is the level at which we delve into and grasp the universal and essential aspects of objects. When we reach the level of science, it becomes a matter of recognizing and applying objective laws. The higher this level is, the better able we are to transform nature and society. Theory, therefore, is not further removed from, but closer to things than empirical knowledge is. Theory is also not abstraction that is far removed from life, but the process of grasping the essential elements which control each separate phenomenon; is argumentation in accordance with the strict demands of objective relationships in life; is the process of recreating reality in spiritual form (spiritual production); is the process of finding ways to take action and convert thinking into practical activities.

Scientific theory is not dogmatism. Rather, it is essentially the process of establishing views, objectives and methods for taking actions to transform reality.

In an age of many revolutionary changes, such as the present age, cadres who have disdain for abstract thinking and scientific theory deprive themselves of a very important aspect of the character of a revolutionary cadre, of a communist. Is this not something so obvious as to not even need mentioning? Clearly, there are more than a few middle and high ranking cadres today who are enamored of their old experience and are providing guidance in many very complex practical fields and areas

of the socialist revolution without possessing the necessary theoretical knowledge of scientific socialism, of our times. Degeneracy in one's personal life, intimidating the masses and putting oneself first are not the only ways a cadre loses his good qualities. Being too lazy to study scientific theory is one of the most important manifestations of the loss of communist qualities.

Why do some cadres commit many unnecessary and serious mistakes in the practical guidance they provide? There are many reasons. But one of the primary reasons is that their level of awareness concerning the socialist revolution is still low and they have a misunderstanding of many very basic matters. Therefore, to resolve the problem of cadres for the socialist revolution, it is of fundamental importance that we build greater intellectual capacity. Clearly, in today's age, providing practical revolutionary guidance requires recognizing and applying objective laws, that is, requires scientific theory.

Both theoretical and practical activities must be based on a unity between scientific theory and revolutionary practice. Theory must stem from practice and support practice. Practice must be guided and organized by theory. Without setting cadre standards in this area, we will not be able to emerge from the many years of stagnation in small-scale production.

Although the field of theory and the field of practice are relatively independent, as the revolution develops and becomes more complex, these two fields become more closely intertwined. Theorists must have a deep understanding of practice in order for their theoretical activities to effectively support the guidance of practice. Cadres who guide practice must be well qualified in theory and able to engage in scientific thinking so that they can organize actions and cause society to truly develop and help to supplement and enrich theory. There is no wall separating theory and practice within each field or within each of us. Each of our cadres, particularly the middle and high ranking cadres of the party, must embody both these aspects. And, under given circumstances and when necessary, some persons can be transferred from theoretical work to the work of guiding practice and vice versa. The formation of our corps of high ranking cadres must, to some extent, also be carried out the same way. By cross-training and utilizing cadres in this manner, we will truly raise work standards in both the field of theory and in the guidance of practice. This is a very important path to be taken in selecting and replacing cadres. It would bridge the gap between theory and practice as well as eliminate the psychology and thinking of remaining in one's position and continuing to hold the same authority even though one's level of knowledge is low and, conversely, eliminate the practice of continuing to spout empty theories instead of giving theory true practical value.

The extent to which our entire revolutionary undertaking is victorious depends upon how high the scientific and theoretical standards of our cadres are. The most

important standard is their knowledge of and ability to creatively apply the universal principles of Marxism-Leninism to different sets of circumstances in today's age. In the lessons of life, we have seen that our underdeveloped and backward state in theoretical work, ideological work and cadre organization are the underlying cause of the shortcomings and mistakes committed in the recent past.

It has come time for us to face the truth in our theoretical and ideological work, to strongly criticize ourselves in order to bring about truly rapid changes and bring ourselves abreast of the current requirements of the revolution. The 6th Congress of the Party frankly assessed the situation and set forth guidelines for revamping theoretical and ideological activities. However, many months have passed but our ideological and theoretical activities still have not undergone the necessary changes.

One of the important tasks of the theoretical and ideological agencies in our society is to research theory and formulate correct theoretical views to guide the struggle to transform society. If we restrict the duties of these agencies to simply propagandizing the positions and policies of the party, we will not be able to avoid destroying the functions of theoretical work of researching, summarizing and proposing. And once theory does not develop, practice will also stagnate. This is inevitable.

There are some leaders who do not place trust in or understand the role of theory. As a result, they restrict theoretical activities to the framework of speaking and writing in accordance with their thinking. When this situation occurs, it causes theoretical thinking to become the work of a few persons, persons who become the "brains" that think for everyone else. When this happens, the thinking of 1,000 persons, even 10,000 persons, is no better than the thinking of 1 person. The thinking of many persons is nothing more than the applied thinking of a number of persons. The situation becomes more serious when these persons who dominate theory and ideology truly do not have a knowledge of theory and ideology. They only know how to act on the basis of everyday experience and consider this to be theory. Making experience synonymous with theory inevitably leads to problems in the process of guiding practice and removes theory from life. We criticize empty theory but if we have little regard for scientific theory, it will be difficult for us to truly become persons who are in the vanguard in the realities of the revolution. It is very regrettable that many of our cadres do not fully realize the significance of Uncle Ho's statement that the lack of theory also leads to subjectivism. And, those persons who have little regard for theory are also persons who are controlled by the worst and most outdated theories. This is not just a shortcoming on the part of individuals, but is also the result of the fact that our general operating

mechanism is not efficiently organized and has allowed these shortcomings to persist, to be repeated and become a rut from which it is difficult to pull ourselves.

Many theoretical and ideological cadres have not received systematic or in-depth training in scientific knowledge and usually do not possess the necessary information. They are not drawn into the process of researching and summarizing matters of life. As a result, their ability to conduct research and make proposals is not developed or enhanced. In other words, our operating mechanism functions only in the direction of direct practical activities. In the other direction, theoretical activities, it is isolated and becoming increasingly abstract and impoverished. This separation makes it impossible for our activities in either direction to be as effective as they should be. Separating theory from practice is not only a mistake from the standpoint of consciousness, but is also a problem related to our mechanism. It not only causes theory to become dogma, but also causes practice to meander, even to lose sight of guidelines.

In the field of theoretical and ideological activities, we do not have any skilled specialists. There are some persons who are somewhat capable, but they are not highly skilled. The young cadres being trained do not have a suitable environment in which to develop. Compared to the other fields of science, the science of Marxist-Leninist theory has been developing very much more slowly in terms of both the number and the quality of cadres and research projects. Clearly, this is the result of the views of our party agencies concerning leadership and organization. The path from the daily creative actions of the masses, from direct and separate experience through science and theory to lines and policies of the party and then back to the masses, this is the path we must follow: practice-experience-theory-practice. Otherwise, we will be unable to avoid the style of activity of the small-scale producer of ancient times: practice-experience-practice.

The basic guidelines and themes toward which theoretical and ideological work must be oriented to revamp itself must be those that were set forth by the 6th Party Congress. But to move in this direction, theoretical and ideological work must address the following fundamental and pressing issues:

1. The issue of correct and scientific views concerning real socialism, the new conclusions regarding the realities of socialist construction in the fraternal countries and the issues of our times.

2. The human issue and issues related to the laboring masses, which primarily include bringing the human factor into play, tapping the spirit of ownership of the working masses and, especially, democratizing socialist life (the overriding issue within the socialist countries today).

3. The issue of the motivating material and spiritual forces behind human activity under socialism.

4. Developing each potential in order to develop the economy and revamp production forces in conjunction with revamping the forms of economic organization and management; discovering and researching, on the basis of the economy and economic laws, other aspects of socialist life and their reciprocal impact upon the economy.

5. The issue of building the party and training cadres for the process of forming and developing socialism.

At the very least, we must conduct in-depth and thorough research over the next few years into our theoretical and ideological activities within the areas mentioned above. The field of philosophy will occupy an extremely important position in this research.

The 6th Congress of the Party confirmed that our weaknesses in the fields of theory and ideology and in organizational and cadre work are the underlying cause of our problems. But although we have begun to concern ourselves with theoretical and ideological work, we have done very little in this area and have virtually stood still. If theoretical and ideological work continue to slide backwards, our efforts to "make do" in practice will turn out as they always have, lurching to one extreme or the other. Meanwhile, in many socialist countries, an intense renovation campaign is now under way in all fields, most importantly in the fields of theory and ideology.

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Training Technical Workers—a Pressing Requirement

42100007g Hanoi TAP CHI CONG SAN in Vietnamese
No 2, Feb 88 pp 41-45

[Article by Hong Long, Vice Minister of Higher and Vocational Education]

[Text] The population is growing rapidly. Therefore, our country's sources of labor are very abundant. Whereas in the 1970's, an average of 750,000 persons reached work age each year, in the 1980's, 1 million persons have been reaching work age annually. At present, workers make up a very large percentage of our country's population: 48-50 percent. But, for many different reasons, the percentage of workers who have received occupational training is very low (8.5 percent in 1978, 13.5 percent in 1983 and 15 percent in 1985). We have about 30 million workers, but as many as 26 million have not been trained.

Our force of technical workers is still small. There are nearly 1.3 million technical workers in agriculture and 1.8 million in small industry and the handicraft trades. Sixty percent of technical workers have not received vocational training in formal schools or classes. The

number of persons being trained as technical workers is small and steadily declining (200,000 in 1977, 63,000 in 1979 and 50,000 per year from 1980 to 1984). The number being hired each year is not enough to compensate for the number of technical workers being lost through natural attrition (5-7 percent per year). Also, the job grade of the average worker is low (2.31 in 1969, 2.44 in 1973, 2.46 in 1975 and 3.25 in 1985). Grade 1 and grade 2 workers make up 57.56 percent; grade 3 and grade 4: 38.47 percent; and grades 5, 6 and 7: 3.97 percent. There are only a little more than 3,000 grade 7 workers. This is one of the important reasons why product quality is low and much equipment is broken.

Each year, some 800,000 basic general school students (14-16 years of age) and 200,000 middle school students (15-18 years of age) are unable to continue their education and need an occupation and a job. Despite this, the system of trade schools and classes is very small and seriously unbalanced. The country has nearly 13 million general school students enrolled in 12,291 basic general schools and 910 middle schools but only 298 trade schools with space for 120,000 students. The trade school system accepts only 6 percent of the total number of general school graduates each year. The middle school system is too large, is not balanced with the specialized education system and is not compatible with the country's socio-economic conditions. In the developed countries, such as the GDR, there is space in a middle school for only 1 of every 378 persons. In Czechoslovakia, there is space for 1 of every 110 persons. In our country, this ratio is 1 of every 86 persons. In countries that have achieved an average level of development, there is 1 student receiving vocational training for every 4 middle school students. In some developing countries, this ratio is 1 for every 6. In our country, there is 1 vocational student for every 100 middle school students. Although the percentage of workers who have a college education and the number of years of college per worker in our country are among the lowest in the world, these figures still do not correspond to the respective figures for the trade training sector. We have space for 128,000 college students, 121,000 vocational students and 120,000 trade students. The ratio of "two teachers for every student" is unbalanced and inappropriate. In our country, there are 2.8 workers for every cadre who has a college, academy or vocational middle school education. In the developed socialist countries, there are 20 to 30 middle level cadres and 50 to 60 technical workers for each college educated cadre. We have 6,000 Ph.D.'s and persons who hold a master's degree but only 3,000 grade 7 workers.

Our trade school network is very thin, weak and backward. The structure of this network in terms of the sectors and trades in which training is provided is not very compatible with the socio-economic development needs of the entire country or each locality. The recruiting, training and utilization of students are not coordinated. Of the 298 trade schools we have, only 40 (the

majority of which receive assistance from foreign countries), which have space for 25,000 student, have relatively all the conditions they need to provide training. Investments by the state in education, in general, and trade training, in particular, are not what they should be. Each year, the training sector receives only 0.5 percent of total national income in investments (this figure is 7 to 9 percent in the other countries of Southeast Asia). Many training aids are very outmoded and much of the equipment and machinery used at these schools was discarded by production units and sent to schools once it could no longer be used at production units. Subject matter and training programs are not unified. It is quite commonplace for there to be a significant difference between schools on the local level and schools on the central level, between the sector and the enterprise concerning the same trade or job grade. There are also significant differences in the occupational standards of students at two schools within the same sector. The corps of instructors and management cadres is inadequate and weak, particularly in the case of instructors in practical application. We have 7,000 trade school instructors but about one-third of these persons have not received systematic elementary or advanced training.

Another matter deserving of concern is that the psychology of avoiding manual labor is still very prevalent. Youths are not being educated or prepared to become workers who directly produce material wealth for society. In 1981, the Trade Training General Department surveyed the occupational aspirations of 9,000 students at 10 trade schools and 13 middle schools. The results showed that 89.4 percent of students wanted to go on to college or a vocational middle school (71.8 percent wanted to enter college and 4.7 percent wanted to attend a trade school). In 1986, the aspirations of 660 middle school graduates from four schools in the outskirts of Hanoi were surveyed. The percentage of graduates wanting to enter college was still 81.6 percent. Of the students who were already attending trade schools, 12 percent were indifferent toward their trade, 17.6 percent wanted to change trades and 3.3 percent left their trade.

There are many subjective and objective reasons for the poor situation described above. Although our party and state have adopted many resolutions and directives aimed at strengthening and expanding trade schools and classes in order to train a corps of technical workers, these resolutions and directives, generally speaking, have rarely been implemented. Many sectors and party committees, including some leadership agencies of the party and state on the central level, do not have a full or correct understanding of the role and position of trade training for workers. Many obstacles have stood in the way of the development of trade training as a result of the management mechanism based on bureaucratic centralism and state subsidies existing for far too long and being deeply entrenched and the thinking that education, in general, and trade training, in particular, are merely matters of social welfare. Another important reason is that we have yet to adopt policies which truly provide incentive for

and attach importance to talent, to workers in high job grades and to skilled craftsmen. There is still much that is irrational and unfair about training and the utilization of persons who are trained. As a result, workers are not encouraged to improve their skills. At many places, trade training has stagnated and even slipped backwards. Highly skilled workers have received little advanced or supplementary training and are gradually disappearing. Consequently, the elementary and advanced training of technical workers is one of our country's pressing problems.

It has been confirmed in the world that 30 percent of the growth of a national economy is the result of training and education. In the current age, in light of the vigorous development of science and technology, the training of skilled technical workers is being given very much attention by all countries of the world. We have a strength in our abundant labor. The Vietnamese are diligent, patient and intelligent. Therefore, training skilled workers is one of the practical, correct and urgent steps that should be taken to bring the country beyond the acute difficulties it confronts today. On the basis of thoroughly comprehending and concretizing the resolution of the 6th Party Congress, the higher and vocational education sector has begun to map out programs and guidelines aimed at bringing about true changes in training, thus meeting the demands of socio-economic tasks.

The objective of the trade training sector is to train a corps of technical and professional workers and personnel that is well coordinated in terms of the sectors and trades it represents and consists of persons who possess good political qualities, good health and the skills needed to match all job grades, from the lowest to the highest. The trade training sector must popularize trades among youths and laborers who possess minimum skills and provide the conditions for every member of society to receive occupational training before entering productive labor.

In view of this objective, the trade training system must be diverse and "flexible" and consist of many types of training and forms of study. To establish a correct trade training system, one compatible with our country's situation in the period of transition to socialism, time is needed to conduct research, experiment and feel our way along. In the immediate future, however, the following types of elementary and advanced training can be employed:

1. Formal, long-term training (1-3 years): the elementary and advanced training of technical, professional and skilled workers and personnel in accordance with state plan norms and the list of trades stipulated by the state with the aim of supporting all sectors of the national

economy. This type would consist of two types of schools:

a. Trade schools—recruiting basic general school graduates for 1.5 to 2 years of training or recruiting middle school graduates for 1 to 2 years of training. Upon completion of their training program, good students (who have graduated from middle school) would be tested for acceptance into vocational middle schools or colleges within the same sector.

b. Trade middle schools—recruiting students among basic general school graduates for 3 to 4 years of training (depending upon the specific requirements of the trade). At this type of school, training would be combined with a comprehensive academic education. Upon graduation, students would possess manual skills and a general middle school education.

2. Information, short-term training (less than 1 year) with the aims of popularizing trades among youths and laborers and providing them with trade training. The length of training could be very flexible: 1 month, 3 months, 6 months, 9 months, etc. This type of training would primarily support the needs of the collective and household economies and be organized under the guideline of the state, the collective and the people working together.

Informal training could consist of many forms of elementary and advanced training in order to satisfy each need of the worker. In general, schools and classes of the following kinds can be established:

a. Training at basic production units aimed at providing unskilled workers with specific job skills, thus meeting the constantly changing manpower needs of a factory or enterprise. In special trades, on-the-job training at the side of an individual worker can be provided in cases in which there are not enough persons in need of training to hold a class or when the objectives for which workers in low grades need be trained are not comprehensive, that is, when they mainly need to receive practical training to work as an assistant.

b. Trade training centers organized within precincts, districts and towns to train technical workers under a non-comprehensive program (no academic, military or physical education classes). These trade training centers would mainly develop agricultural skills in short-term programs (3 to 6 months). In order for the student to become a skilled worker who meets formal training standards, he would have to receive supplementary training in both theory and practice under a comprehensive program and be certified.

c. Civilian and private training classes to maintain and develop traditional sectors and trades and make full use of the capabilities and skills of craftsmen and workers in high job grades. These classes can be used to provide training as required by the student under the management of the precinct, district and town centers and the guidance of the vocational education departments of the

provinces and municipalities. The colleges, vocational middle schools, scientific-technical associations and the mass organizations could also hold short-term training classes.

The higher and vocational education sector cannot establish such a system and operate it effectively alone. This sector must have the assistance of the other sectors and the various levels of leadership as well as the support of all society. Although there are still many matters that need to be clarified and dealt with concerning viewpoints, the management mechanism, the contents of programs, procedures, policies and so forth, the party and state must adopt suitable and timely positions and measures in the immediate future with a view toward removing the obstacles now being faced and opening many prospects for developing the elementary and advanced training of technical workers.

Clear regulations must be adopted on the hiring of workers at basic production units and enterprises. When hiring persons, regardless of their trade, it is essential that we hire persons who have been trained and who meet appropriate standards. Persons who participate in labor cooperation in friendly countries must also have received occupational training. Only in this way will the value of labor be high and the needs of friendly countries be met. This will help to solve the problems of our having skilled labor when cooperative agreements are signed but finding that the persons whom we select to go do not meet this requirement.

The trade training system must be under the unified management of the state and be distributed by territory, by economic zone, etc. The economic-technical sectors should only set the standards regarding qualifications, establish the sectors and trades in which training should be provided and so forth and not open separate training schools or classes themselves. An appropriate and correct mechanism must be established to create close ties among student recruiting, training and utilization, between production units and factories and trade schools and classes.

The field of trade training must be appropriately funded. Suitable principles and policies must be put in place to improve the quality of the corps of instructors and management cadres at trade schools and classes. Particular attention must be given to workers in high job grades and skilled craftsmen in traditional trades. In view of the difficult situation in which we find ourselves today, all the investment capital resources of the state should be devoted to the trade training sector in order to build the material base for instruction and learning. The persons who partake in training must pay for their food, board, paper, pens and a portion of their tuition. Scholarships should be awarded only to truly gifted students. In this way, our state would be able to bear the heavy burden of education today and the quality of instruction and learning would gradually improve.

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Expanding Tourism To Vigorously Attract Foreign Visitors

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in Vietnamese No 2, Feb 88 pp 46-49

[Article not translated]

Thoughts About Renovation of Thinking on Foreign Relations

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[Article not translated]

'Study and Exchange' Section

Research-Exchange of Opinions on Inflation: Striving To Stabilize the Circulation of Money

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No 2, Feb 88 pp 55-60

[Article by Quang Tue, deputy chief of the Circulation-Distribution Department, the Institute of Central Economic Management and Research]

[Text]

I. The State of Inflation and the Harm It Causes

Economists in the world divide inflation into two stages. Stage I is when the rate at which paper money is being devalued (that is, the rate at which the prices of goods is rising) is still lower than the rate at which the volume of money in circulation is increasing. In stage II, the rate at which money is being devalued exceeds the rate at which the volume of money being put into circulation is rising. In this stage, putting only a small amount of additional money into circulation can cause the prices of goods to rise at a high rate. And, if timely measures are not taken, prices will rise at an exponential rate and lead to serious inflation or hyper-inflation.

According to published data, from late 1980 to late 1985, the index on the volume of money in circulation rose 20 times while the price index on the social market rose 16 times. That is, during that stage, prices only rose 0.8 time for every 1 time the volume of money in circulation increased (16/20). Thus, inflation was in stage I. However, if we compare these two indices in late 1986 to late 1985, we see that the situation had changed drastically: between the end of 1985 and late 1986, the volume of money in circulation increased 4.4 times and prices rose more than 8 times between December 1985 and December 1986. That is, in 1986, a one-fold increase in the volume of money in circulation was enough to cause prices to increase two-fold. Inflation had entered stage II. Now, putting only a very small amount of money into

circulation might push prices up at a much higher rate and if timely corrective measures are not taken, inflation will rise at an even more terrifying rate as time passes.

The harm that inflation has caused to production, circulation and the standard of living is already very severe. Prices have risen rapidly and purchasing power has steadily declined. The state and state-operated enterprises face an acute shortage of capital and cash. Worse yet, inflation has become a tool by which income is spontaneously redistributed among the various strata of the population to the advantage of private merchants, profiteers and persons who earn their livings illegally and to the disadvantage of cadres, workers, civil servants, the armed forces and other persons who earn a lawful living. As a result of this and many other socio-economic causes, inflation has exacerbated negative phenomena and social injustice, caused confidence, enthusiasm for work, labor productivity and efficiency to decline and helped to disrupt social order.

II. The Causes and Characteristics of Inflation

1. The basic, underlying causes of inflation.

The primary cause of inflation in all countries has always been and continues to be a state budget deficit. The larger this deficit is and the more rapidly it rises, the more paper money must be issued to compensate for the growing budget deficit and the worse inflation becomes.

The structural causes of inflation have been cited numerous times in resolutions of party congresses and plenums of the Party Central Committee. The structure of production is irrational, investments are decentralized and fragmented and the returns from investments are very low at a time when production and consumer needs are steadily rising, thus causing an increasingly serious imbalance between supply and demand and straining the relationships between goods and money.

As regards the economic management mechanism, the cause of inflation has been our failure to promptly revamp the economic management mechanism. As a result of the many years of bureaucratic centralism and state subsidies, production has not been liberated, circulation is impeded and distribution has become increasingly disorganized. In other words, inflation today is the consequence of many aspects of the prolonged and serious imbalance of the national economy.

2. The direct causes.

In addition to the basic and underlying causes mentioned above, causes of a direct nature have emerged during each period that have caused inflation and caused the socio-economic consequences of inflation to become more profound and serious. From the perspective of periods of time, inflation can be analyzed as follows:

—The period of the war of resistance against the United States for national salvation.

All production forces were concentrated on the war effort. Major imbalances began to emerge in the national economic and financial system. The rudiments of inflation began to emerge. But, thanks to economic and financial aid from the socialist countries, the economy remained stable.

—The period from 1976 to 1980.

This period was marked by clearly evident inflation in conjunction with economic recession.

The direct causes of inflation during this period were rapidly rising investment and consumer needs. Having been suppressed during the years of the long and difficult war, these needs now exploded.

Large investments were made in capital construction. However, because production and investments were structured incorrectly, were structured on the basis of subjective desires, voluntarism and the desire to achieve rapid and broad development without giving attention to intensive development and without taking capabilities and conditions into consideration, returns from investments were very low. With this, the volume of money put into circulation increased but the supply of products and goods did not increase in a corresponding manner. Meanwhile, consumer needs were very high. As a result, the imbalance between money and goods worsened and prices rose.

—The period from 1981 to today.

During this period, the party and state have implemented many policies aimed at restructuring production, readjusting the structure of investments, improving the management of the economy and granting broader independence to basic production units. As a result, marked improvements were made in the economy. During the years from 1981 to 1985, the gross social product increased at an average annual rate of 8.7 percent. Domestically produced national income increased at the average annual rate of 6.4 percent. The value of total industrial output increased by 9.5 percent, the total value of exports by 15.6 percent and total retail sales by 11.7 percent per year.

Although economic conditions were much better than they were during the period from 1976 to 1980 and the financial, monetary and price situations should have been improved, the opposite occurred and the situation became increasingly serious. In particular, in 1986 and the first months of 1987, the financial, monetary and price situation deteriorated into unprecedented chaos. The cash deficit increased nearly 6 times, prices on the organized market more than tripled and prices on the free market rose more than five times. During the first 6 months of 1987, the situation worsened considerably.

Once inflation reached such a serious level, it was clear that production could not develop normally. Since September 1985, the economy has entered a new cycle of recession.

The second direct cause of inflation today is the mistakes that have been made in managing distribution and circulation, especially in the fields of prices, wages and money.

Specifically:

1. The price mechanism and price ratios. Since 1981, we have acted twice to devalue the domestic currency and foreign currencies by a very large percentage (which has not been done by any other country in the world). This has caused an inflationary psychology, a loss of confidence and led to very severe socio-economic consequences.

On the other hand, price uniformity and price discipline have been shattered. Every level, sector and unit has been drawn into a mechanism of spontaneous price increases in order to profit by the price differential in both directions: from top to bottom in the case of industrial goods and from bottom to top in the case of agricultural products. Each economic relationship between the state and farmers and the other segments of the economy has been disrupted and thrown into chaos.

Although raising the price ratios used in the internal balance of accounts has encouraged exports, under our current export-import mechanism (we import three times more than we export), the more we have raised these price ratios, the more we have caused the prices of imported raw materials and domestic production costs to rise. Clearly, these are inflationary mechanisms.

2. The monetary-credit mechanism. The mistake that was the money exchange in September 1985 quickly accelerated the devaluation of the currency. Confidence in the currency has steadily declined and the fear of inflation has steadily grown, thus making it impossible for the bank, regardless of by how much it raises interest rates on savings deposits, to compensate for the rate at which the currency has been devalued. As a result, the bank has been unable to draw financial capital among the population into bank funds. On the other hand, the bank must continue to grant loans at interest rates that are much lower than the rate at which the currency is being devalued. ¹ This has forced the bank to use capital in the form of newly issued money for loans. Herein lies the sources of credit-generated inflation.

3. The wage and bonus mechanism. The wage policy in our country is still irrational in many respects. Real wages cannot be maintained and are insufficient to replenish the energy expended in labor. At a time when labor productivity throughout society is very low, many enterprises have automatically adjusted their wages by paying unauthorized bonuses and including them as part

of production costs, thus causing production costs to rise. These rising production costs have had the chain reaction effect of pushing the production costs of other products up, thus causing a price spiral.

The economic and financial characteristics of the period from 1981 to today can be summarized as follows. Inflation has become very serious and begun to exert an adverse impact upon the development of production. It is bringing our economy into a new cycle of recession. The direct causes of the high inflation of this period are the mistakes made within the price, wage and money management mechanisms.

III. Stabilizing the Purchasing Power of the Dong Is a Pressing Requirement in Stabilizing the Socio-Economic Situation

To stabilize the currency, stabilize prices and, on this basis, stabilize production and the standard of living, we must adopt a well coordinated program consisting of emergency policies and measures that must be taken immediately and policies and measures of a long-range, fundamental nature that will not yield the desired results for several years.

The problems associated with prices, wages and money must be solved on the basis of thoroughly adhering to the following view: every policy that is enacted to adjust prices, wages or money, regardless of the circumstances, absolutely must not make the people, particularly the working people, bear the consequences of any mistakes that might be made. On the other hand, in view of current conditions in our country, emergency anti-inflationary measures must have the basic purpose of redistributing income among the various strata of the population. If necessary, illegitimate and unlawful income must be seized to improve the budget, stabilize prices and the circulation of money and stabilize the living conditions of honest workers. If this principle is violated, each measure will lose its class nature and lack the revolutionary and mass viewpoint of a proletarian state.

Having raised the issue in this manner, we maintain that the emergency measures taken must be closely tied to the following basic measures:

1. Measures aimed at balancing the state budget

To increase budget revenues under the conditions of our transitional economy, we must employ many measures to encourage the various segments of the economy to develop production and successfully implement the three programs in grain-food products, consumer goods and export goods. To develop production and create stable sources of budget revenues, the state must soon promulgate a national financial policy designed to mobilize each source of capital, each source of natural resources, each segment of the economy and all manpower of the country.

To reduce budget expenditures, we must, in view of current conditions, implement a strict policy of frugality in consumption and launch a broad movement to restrict spending to the scope of the capabilities and the income of each person and the entire country, combat waste and misappropriation and reduce consumption in order to increase the formation of capital for the development of production.

—While taking measures to increase budget revenues and reduce budget expenditures, determined steps must be taken to gradually reduce the issuing of money to fund the budget.

2. Measures to balance supply and demand

These are measures aimed at eliminating the structural causes of the serious imbalance between supply and demand. The primary objectives at this point in time are to stimulate supply and regulate demand.

To stimulate supply, we must adopt a host of positions and policies designed to thoroughly liberate production and tap each domestic capability and potential in order to develop production and rapidly increase the supply of products and goods to society.

Of utmost importance at this point in time are the needs to restructure the national economy in a rational way, rearrange the structure of production and, on this basis, adjust the structure of investments in order to develop, to the maximum degree possible, all the capabilities that lie in our existing labor force and material-technical bases.

Within the structure of the economy, we have long held that there are only two sectors, industry and agriculture. In our opinion, in order to closely combine the strength of the nation with the strength of the times (and take maximum advantage of the scientific and technological achievements of the world to stimulate the development of the domestic economy), the structure of the economy should include the factor of exports and imports in order to form a complete economic structure consisting of industry (in this initial stage, light industry producing consumer goods), agriculture (considered the front of foremost importance) and exports-imports (serving the role as the bridge between the domestic economy and the world economy and the functions of providing capital services, technology, know-how and marketing to industry and agriculture).

—To regulate demand, in addition to practicing frugality in consumption as mentioned above, it is important for us to adopt appropriate forms and measures for mobilizing, through many different channels, the majority of the sources of money among the various strata of the population and within the different segments of the economy and not allow this capital to flow into consumption, but be used solely to expand production.

In the face of today's high inflation, many difficulties are encountered in trying to mobilize capital, particularly through the practice of frugality. Therefore, in addition to mobilizing capital through the bank, it is necessary to expand the ways in which capital is mobilized (capital mobilized through shares, the mobilization of private capital, joint ventures and integration, etc.). Of importance here is the need for the state to adopt a policy that gives the various strata of the population the assurances and confidence needed to invest capital in production, guarantees their ownership of the capital they invest and guarantees their interests on the basis of the fruits of their labor.

3. Measures regarding the management mechanism

a. To begin with, the state must adopt a policy that treats the workers in the different segments of the economy in a fair and equal manner with the aim of encouraging them to have the confidence to invest capital in the expansion of production to create additional jobs and increase the supply of products to society as well as society's income. We must truly concern ourselves with strengthening the socialist economy, particularly the state-operated economy, so that the state-operated economy plays the dominant and decisive role within the national economy and controls and guides the development of the private and capitalist self-employed segments of the economy in the right direction. However, to truly liberate production, we must create other material conditions. Specifically, we must adopt policies and measures which open the right doors with the aim of attracting foreign currency, finished materials, raw materials and technology of foreign countries into cooperative and investment projects with domestic economic units.

Our state must soon promulgate a labor law, an economic contract law and a labor contract law with a view toward guaranteeing equality among the workers in and outside the employ of the state and within the different segments of the economy and reducing the heavy burden of staff upon the state. Guaranteeing the worker of the right to freely select where he will work is one way to spur higher labor productivity because, wherever the worker is utilized and treated well, labor productivity is high and spirit and consciousness on the job are high.

b. Removing the obstacles in circulation

To begin with, it is necessary to reorganize the circulation of materials and product trade between the state and the other segments of the domestic economy as well as the overseas economy with the aim of eliminating middlemen, who obstruct circulation and cause costs to be too high, and putting an end to the practice of buying and reselling products in order to profit by the price differential.

In addition to circulation mainly through state-operated commerce, the circulation network must be expanded to include the use of small merchants under the close guidance and inspection of state-operated commerce.

c. Measures to reorganize distribution

The state must soon research and promulgate a policy to regulate income that is part of its national financial policy. This is a measure designed to reorganize the relationships that exist in the distribution of national income, redistribute income among the various strata of the population and establish a rational relationship between capital formation and consumption, especially under our country's current economic conditions in which there are still many imbalances that need to be corrected. We must quickly revise the wage policy with a view toward maintaining the standard of living of manual workers, civil servants and the armed forces.

One thing with which we must fully concern ourselves is that each measure regarding prices, wages and money, in particular, and each inflation fighting measure, in general, must be carefully studied, coordinated with other measures and implemented gradually with a view toward avoiding harmful effects upon the standard of living of wage earners, of honest laborers, the persons who are the moving forces behind production and the revolution.

Footnote

1. In late June 1987, while the dong was losing value at the average rate of 15-20 percent per month, bank interest rates on loans were raised to their highest level ever, but still only to 6 percent per month.

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**Research-Exchange of Opinions on Inflation:
Some Thoughts on Inflation in Our Country**

42100007i Hanoi TAP CHI CONG SAN in Vietnamese
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[Article by Dinh Phuong, professor and director of the Information Center of the State Planning Commission]

[Text] Some persons maintain that inflation is only a matter of issuing more money than necessary and their solution for improving the socio-economic situation is to place limits on how much money is issued. Without even needing to analyze them, we do not endorse this thinking or this solution.

Thus, what is inflation?

I cannot describe the entire process of the development of the concept of inflation in one article¹, but only present the concept of inflation which is currently accepted by researchers. As viewed today, the central issue that must be studied is changes in the price system as they relate to money, wages and financial policy.

In light of this concept, it is clear that this is an exceedingly complex issue. Below are some of the most important aspects of this issue:

Prices and Money

Prices have steadily risen in recent years. According to preliminary calculations, prices rose about 50 to 60 times between late 1985 and the end of 1987. On the basis of these figures and this phenomenon, one author has stated: "Compared to late 1985, the index of money in circulation rose 4.4 times by the end of 1986. Meanwhile, the price index increased 8.45 times, which does not include the prices of some products that rose 10 to 11 times. That is, in 1986, prices rose 2 to 2.5 times for every 1 time the volume of money in circulation increased." ² Then the author warns: "From now on, putting even a very small amount of additional money into circulation might push prices up by a much larger percentage and, if timely, corrective measures are not taken, inflation will rise at an even more terrifying rate as time passes. Lastly, the author stresses: "We must exercise utmost caution and be extremely selective when putting money into circulation."

The basic mistake made here is that the author considers putting too much money into circulation to be the sole cause of higher prices. He does not see that there are very many other causes of higher prices. As a result, his solution to inflation is to set strict limits upon the issuance of new money. The author ignores one extremely important reality, namely, the structural characteristics of our country's market and price system. Prices did not rise in 1986 solely as the result of control exerted by the market through the law on the circulation of money (which is commonly called overt inflation). It was also due to our state adjusting the price scale (controlled inflation). That is, the author ignores the "non-monetary" factors and causes of rising prices. Opinions of this type are based on the rate at which money is put into circulation (and maintaining that a 4.4-fold increase in the volume of money in circulation between late 1985 and late 1986 is high). It is indeed a mistake to not understand that the volume of money put into circulation, be it large or small, must be based on the needs of the economy, not on whether the rate at which money is being put into circulation is high or low. From this analysis, I reach the opposite conclusion—that this is a very small amount of money to be put into circulation.

First, this conclusion is based on a reality, that we lack the money needed to procure agricultural products, spend on capital construction, pay cadres, workers and civil servants, subsidize prices, etc.

Secondly, even if we were to turn over the money being issued today three times in one year, we would still not be able to buy all the grain needed for cadres, workers and the armed forces.

Thirdly, it is truly odd to make comparisons of the volume of money in circulation without taking into consideration the purchasing power of this money (that is, to ignore prices). Because, such is a comparison without a common basis.

Deserving of attention concerning the example cited above, that between late 1985 and late 1986, the volume of money in circulation rose 4.4 times and prices rose 10 times, is that in order for each activity of the economy to be maintained at the level achieved in 1985, it is necessary to immediately issue enough money to keep pace with the rate at which prices are rising, that is, to issue fully 10 times more money, not to cut back on how much money is issued. Because prices are rising, the inevitable consequence of cutting back on the issuance of money is to reduce the operating funds of agencies, sectors and production-business organizations. Excessive cuts in operating funds are one of the very basic causes of all the bottlenecks, stagnation and disorder in the movement of the economy. Let us ask ourselves if there is any other country in the world which lacks money to pay workers and must owe them their wages for 3 to 4 months?

Lastly, I would like to present some data and also a viewpoint for us to study and examine in order to determine whether we currently have too much or too little money in circulation.

According to figures of the International Monetary Fund (IMF), the volume of money in circulation in China during the 5 years from 1981 to 1985 averaged 31 percent of national income with the currency in circulation being turned over about 3 times. If calculated by this method, our current national income is about 6 billion dollars and we need to have 6 billion dollars times 31 percent, or 2 billion dollars, in circulation. If we apply the rate of exchange of approximately 1 dollar = 500 Vietnamese dong, we need to issue about 1 trillion Vietnamese dong. Clearly, in practical terms, the volume of money in circulation is very small compared to needs. Thus, from the standpoint of prices, there is "inflation" but from the standpoint of money, there is a "shortage in circulation." This conclusion is completely contrary to many opinions presented above which hold that the cause of rising prices lies in issuing too much money. Thus, the monetary solution is to accelerate the issuing of money to sufficient levels in order to maintain the relationships between goods and money and provide the conditions needed for the economy to function normally.

Prices and Wages

Prices and wages are matters that are usually examined and resolved simultaneously because, in the final analysis, wages are also a type of price, the "price of labor." A second principle that must be fully respected is the need to maintain the real standard of living of wage earners, that is, to guarantee the purchasing power of wages in the face of all changes in prices and all price reforms. In the

past, both of these principles have been seriously violated. To begin with, we have tried to solve the problem of prices and the problem of wages separately. When wages are reformed but prices remain the same, life naturally becomes more comfortable. But, in a short while, when the new wages are included in production costs, prices soar and the state, unable to subsidize prices, must reform prices (raise prices). When prices are raised but wages remain the same, the purchasing power of wages declines and the results of the wage reform are once again nullified. In summary, we have fallen into a price-wage spiral: wages push up prices, prices push up wages, wages again push up prices...in a never-ending spiral.

During the past few years, prices have risen at a much higher rate than nominal wages and the purchasing power of wages has seriously declined to the point where wages do not support the minimum needs of the worker. Our price and wage policies have actually placed the wage earner in a situation concerning which he has no other choice, namely, to earn supplemental income to live. This lies at the heart of many economic, social, legal, psychological, ethical and other problems. It is commonly felt that everyone should earn a living in any way they can, that "there is a little larceny in everyone." But even here many things not supported by public sentiment emerge. A teacher who teaches an extra day earns as much as you do in an entire month. When a cadre or a person in charge of distributing materials receives a refrigerator, a motorbike and so forth as remuneration, how is the superior nature of this method of distribution of materials to be understood and upheld?

As a result of not closely combining the reform of prices and the reform of wages, we created a "perverse situation" in which the wage earner is unable to live on his wages. Therefore, one of our especially important objectives is to quickly re-establish a common premise upon which every society exists, namely, that wages must at least be enough to support the life of the worker.

Prices and Finances

The essence of the financial problem is revenues and expenditures and establishing an optimum balance between revenues and expenditures. In deficit spending, demand is greater than supply. Through the market, this difference between supply and demand leads to higher prices. Higher prices have the reciprocal effect of changing the volume of revenues and expenditures as well as the structure of revenues and expenditures. This is a very complex cycle. If well coordinated measures are not taken, it could very likely create a "price-deficit spending spiral" similar to the "price-wage spiral." One of the objectives of financial activities in the recent past has been to reduce the budget deficit. However, the end result has been not a decrease, but a steady rise in the deficit. To begin with, as regards expenditures, it is truly easy to cut expenditures by means of an administrative

order but it is exceedingly difficult to predict all the consequences of these cuts. Due to the failure to conduct thorough research and analysis, we applied a solution that was not well coordinated. Consequently, "cutting expenditures led to deficit spending." It can be said that practically all current spending regulations are irrational compared to the actual price situation. It can be asked: if wages are not sufficient to live on, if the money earned in 1 day of work is not enough to buy one glass of beverage, can a cadre complete his task? And what must he do if he wants to complete his task well? When spending by the state is not sufficient to maintain normal operations, some production and business units must "subsidize spending," which we commonly call "negative spending." And from where does this subsidy come if not some financial source of the state? The result is although we manage to reduce some costs, we cause other costs to be incurred and both the revenue shortage and deficit spending increase. As regards revenues, it can be said that this is the greatest mistake made in financial activities. It is a shortfall in revenue that has reached an intolerable degree. Here, there are several points deserving of attention:

- a) A considerable portion of the revenues of state-operated units is not put into the state budget.
- b) Because we have been unable to control revenue sources, revenue levels have remained the same for very long even though prices have been changing at the rate of seven to eight times per year. On the other hand, revenue shortfalls are also the result of compromises between tax collection cadres and businessmen. The shortfall in tax revenues is as high as 70 percent.

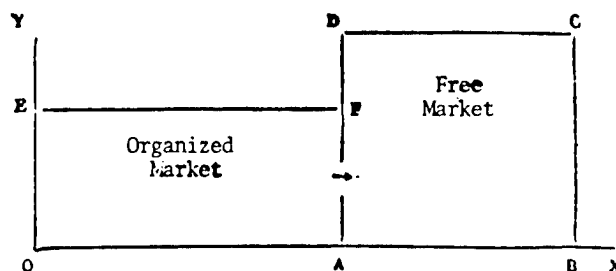
In summary, from the financial standpoint, the basic mistakes have been policy mistakes. Due to inappropriate regulations on spending, many production and business activities have been obstructed and caused a shortfall in revenues in many other areas. Moreover, these regulations have also given rise to much disorder elsewhere, such as the need for "hidden expenses" and "negative expenses" to compensate for the shortfalls caused by unreasonable spending regulations.

Some Thoughts in Lieu of a Conclusion

To contribute to the search for a solution to this problem, we must first outline the characteristics of inflation in our country today.

The major characteristic is that inflation has been occurring within a "parallel market," that is, a market which is not unified, a market whose structure consists of two segments that both stimulate and support one another but also impede and impose one another. This market can be generally depicted through the following drawing:

In this drawing, axis OX represents the volume of goods and axis OY represents the level of prices. OA is the volume of goods on the organized market, which is larger



than AB, the volume of goods on the free market. But AF, the level of prices on the organized market, is very much smaller than AD, the level of prices on the free market. Consequently, total prices on the organized market (rectangle OAEF), although larger than total prices on the free market (rectangle ABCD), are not significantly different.

The very large difference in prices between the two segments of the market draws goods from the organized market to the free market and creates a trend of profiting in business through the difference in prices. On the other hand, according to current calculations, about 50 to 70 percent of the wages of cadres, manual workers and civil servants are spent on the free market. That is, there is also a "one way flow of money" from the organized market to the free market.

The one way flow of money and goods has caused the two segments of the market to move in opposite directions. On the organized market, there is a growing shortage of money and scarcity of goods and the movement of the economy is stagnating and is obstructed in many areas of activity. Meanwhile, on the free market, there are plenty of goods and money and increasing prosperity; production and business activities are always brisk and prices change regularly.

The more this difference grows, the more it harms the interests of the persons who are active within the real economy, namely, producers and providers of services and the more it serves the interests of the persons who are active within the phantom economy, namely, persons who do business in money and profit by the difference in prices. Therefore, the only basic solution is to gradually reduce and eventually eliminate this difference in prices between the two segments of the market and open a flow in the opposite direction in order to establish balance between these two segments. Thus, the central task must be to "combat the price differential."

To combat the price differential, there are two steps that must be taken. First, we must maintain and find ways to reduce prices on the free market. Secondly, we must raise prices on the organized market in order to create a reasonable price scale and thoroughly eliminate the price differential in order to eventually establish a price mechanism in the spirit of the resolution of the recent 4th Party Plenum.

Inflation in our country today is inflation of a dual nature: overt inflation and controlled inflation. The intervention by the state, which has been uncoordinated, half-way and untimely, has caused some aspects of the situation to become increasingly confusing and difficult.

From a psychological standpoint, perhaps because of poor staff work or other reasons, our state is controlled by the psychology of "being afraid to issue money," "being afraid to raise prices" and "being afraid to practice deficit spending." This has given rise to vacillation and a lack of determination and has caused the state to be increasingly confused and caught off guard. It is necessary to establish the clear view that each measure we take must support the development of production, create fair distribution and improve the standard of living. What need do we have for monetary stability, price stability or stable spending if production declines, if distribution becomes more unfair, if life is worse? To develop production and achieve fairness in distribution, we need to issue more money, raise prices in a way that benefits the state and spend more money in one area or another in order to generate larger revenues. Why have we not taken these steps.

Finally, I would like to say a few words about solving the monetary and price problems. Issuing money so that we can control goods and adjusting prices so that we can control money are two very basic measures that must be skillfully coordinated so that we can bring about a gradual redistribution of money and goods in a direction which favors the interests of the state and the basic strata of the population, the pillars of society. If we waver, hesitate or lack resolve in taking these two measures, we will tie our hands, will commit suicide. Of course, these solutions must be carefully considered and be part of a well balanced, overall approach which includes the other measures presented above.

Footnotes

1. See the article entitled "Inflation Yesterday and Today and Our Country's Current Problems with Inflation," published in SEMINAR INFORMATION ON INFLATION, (Volumes 1 and 2) by the Information Center of the State Planning Commission in February 1988.

2. Seminar Information: "Inflation and Inflation Fighting Experience," published by the Central Economic Management Research Institute in June 1987.

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'Ideological Activities' Section

Ideological Life: Do Not Hold a Sharp Knife By Its Blade

42100007j Hanoi TAP CHI CONG SAN in Vietnamese
No 2, Feb 88 pp 65-68

[Article by Thuan Trung]

[Text] Today, the number of video recorders in our country has reached several thousand. This is a welcome

development to a country that is still poor in communications equipment and "thirsts" for information. Light, compact and mobile, the video recorder is a very convenient way to disseminate information and raise the cultural standards of the masses while meeting their art appreciation needs. With only a few tapes the size of a small book in a handbag and one or two persons following with a battery, the video recorder can be taken into the highland, out to the islands, up to the border—to every region of the country to introduce to our fellow countrymen the latest achievements of the nation and mankind in culture, science and art. The video recorder can provide entertainment to hundreds of persons or only a few persons at any time of day.

Regrettably, however, we see this sharp knife being held by its blade at many places as others are allowed to hold the handle! The "video revolt" is poisoning our society's wholesome atmosphere.

In addition to the cases that have been prosecuted involving the showing of decadent video tapes, such as the cases of Doan Thanh Duc, Do Thanh Che and General Truong Xuan, video machines and "interesting" tapes are also being used by some cadres in official positions to show movies "internally" or as a "diplomatic" tool, that is, as a small and polite gift to "exchange" with associated units. More importantly, video recorders have gradually become a true business tool in the pursuit of illegitimate profits. Why illegitimate? Because, the "ultimate objective" is money. Therefore, to attract customers, it is necessary to find and play only tapes that are truly erotic and exciting, "rare tapes" and "underground tapes." In this pursuit of illegitimate gains, all sorts of cunning are employed. If permission to show a certain tape is not granted by the authorized agency, they say that they are showing a tape which is on the list of video tapes in distribution in order to deceive the local authorities, as was done by the Nhue River Hotel of the Ha Son Binh Tourism Corporation. Tong Xuan Van, a cadre at the cultural center of the Thai Nguyen Iron and Steel Complex, sold the entire set of lights at the athletic field to Hau Giang Province to buy a video recorder and show a pornographic tape for profit at the cultural center (he was arrested and prosecuted). In An Giang Province, according to a report by a functional agency, practically every agency that has a video recorder and tapes or which rents them from private parties can show films for profit in the name of "improving the standard of living of cadres and troops." Their thinking is that this is "renovation" consistent with the call for an "explosion in production." As a result, one provincial military unit has as many as six video machines operating on a regular basis in all of the province's districts. One corporation in Hanoi rents video machines and tapes from a private individual to show tapes for profit in Ha Tuyen. Many types of "services" have sprung up around the commercial use of video machines: the promoter "service" of bringing persons from one province to another to see "underground" video tapes; renting a site within the locality

and then bringing in a video machine and tapes to show movies; the "service" of establishing contacts, copying tapes and smuggling them to other provinces, etc. In Ho Chi Minh City, during the week of 12 to 18 November 1987, public security forces made arrests in six cases involving the showing of banned films. One of these cases involved the copying of reactionary, decadent tapes in the 5th Precinct (we confiscated 5 recorders, 207 tapes of all types and other valuable property). In Haiphong, many private gathering places, all disguised as "clubs," have installed video machines in cafes and beverage shops, where they secretly show pornographic films for money.

The greatest danger is that we cannot control the contents of tapes. Practically all the tapes on the video market today are capitalist tapes, the majority of which are smuggled and are indecent in content. The sources of domestically produced films are insignificant and their contents are of poor quality and uninteresting. But every recorder needs tapes. And the man on the street is "thirsty." Profiteering in this "thirst," tapes have been hurriedly imported. These tapes are a compact product, their profit margin is very high. A "good" tape which sells for 8 dollars overseas brings several hundred thousand dong (the original copy) in our country. Thus, because money "makes the risk worthwhile," persons look for ways to sneak through our ports and evade public security forces and cultural cadres. Tapes of all kinds enter our country by many different channels: some are brought on transoceanic vessels or by cadres and students returning from abroad; some are sent by overseas Vietnamese or brought in by groups of specialists or tourists; and some come from permanent diplomatic missions or floating markets at sea. But most inundate our country from Thailand. At outdoor markets, like the Huynh Thuc Khang Market in Ho Chi Minh City, you can buy any kind of tape you like!

In the pursuit of illegitimate gains, the video recorder has become an instrument of serious harm at many places. At a disabled veterans camp in one southern province, Chinese tapes are played continuously from 0900 hours in the morning to 0100 to 0200 hours the next morning. The camp's customers (the majority of whom are from Ho Chi Minh City) must stand elbow to elbow or stay overnight to get in to see a tape. Recently, one place, in pursuit of money, organized day and night showings of commercial films at hundreds of places, thus touching off a "video fever." It can be asked where the people get the time and energy to work? When thousands of persons go from one locality (where commercial showings are not held) to other localities to see video tapes, it causes many incidents which disrupt order, security and safety. This is not to mention the much larger spiritual harm that is caused: indecent films undermine man's good qualities. A survey by one functional agency shows that the majority of the tapes shown illegally either provoke violence or are pornographic. In Tay Ninh, from 1979 to 1986, Nguyen Hoang Luong,

Phan Tan Quoc and their accomplices showed reactionary and pornographic video tapes in seven districts and units, causing serious consequences. In one case, a district official, after viewing a pornographic film, savagely raped a woman who worked in his office. More than a few of our cadres and party members have degenerated as a result of being involved in video "profits." "Underground showings" bring "underground viewing," "underground approval" and "underground profit sharing." When things are constantly "underground," it is difficult to avoid discord and the loss of unity within an agency. This is not to mention that some places have been showing anti-communist films, such as "Rambo," from the United States. Objectively speaking, the video recorder has become an ally of the enemy in sabotaging the thinking, way of life, ethics and aesthetics of our cadres and people, particularly youths who are just starting to grow up.

We often condemn bourgeois businessmen for drawing the masses to products of "commercial art" that pander to the base instincts and ordinary tastes of man. We denounced the United States for using decadent and reactionary books, magazines, films and pictures to enslave our people in the South. So why do we allow indecent films from the capitalist countries to spread across our land and assault our culture and ideology as they are doing today? We criticize "commercialization" in art but allow the "video revolt" to reduce the aesthetic tastes of the masses and push movies and other forms of national art away from the public. In one locality, the audience (poisoned by a decadent film) laughed derisively when they were told that the upcoming attraction was a socialist film. People have become accustomed to films that "scare the wits out of you" or contain many "exciting" and "erotic" scenes. These phenomena have a reverse impact upon artists by causing them to mistakenly think that these are "diverse" and legitimate tastes of the public.

The video "explosion" that has been under way for several years has now truly become a "video revolt." Chairman of the Council of Ministers Directive Number 339/CT dated 22 October 1985 clearly stipulated: "...We must ban the showing of video tapes from the capitalist countries which are politically decadent, ideologically unwholesome or in poor aesthetic taste." In 1986, the Ministry of Culture issued Circular Number 89 on the management and use of video recorders and tapes, granting the authority to manage videos to the cultural services of the provinces (at many places, the movie corporation is directly in charge of this matter) but clearly stated: "Films which are to be copied and widely shown must be presented to the Review Council of the Central Committee. So why does the situation described above persist? Who is responsible for this?"

In the case of units which show films illegally, such as provincial and municipal military units, airports, the political offices of some functional agencies and so forth, the cadres of the Cinematography Corporation and local

cultural security cadres feel that they are "powerless" to intervene. The video tape projection unit of one province is always fully armed to promptly suppress anyone who attempts to "sabotage" the showing of video tapes. Thus, weapons of the revolution are being used to provide security for illegitimate actions! These are phenomena which show contempt for the law and are tantamount to anarchy. In any unit or agency which allows video recorders and tapes to be used illegally, the highest ranking leader is clearly responsible and must take decisive and tough measures to deal with this problem. It is necessary to avoid cases in which the leader knows nothing at all about what is taking place, issues a decision which cannot be enforced or, although he does not endorse what is happening in document form, does support the showing of illegal films through his "words" and even approves of "trying to get films." What is to be done when a host of cultural centers, clubs and even corporations of the cultural sector hold "underground showings" to earn revenue? Are the cultural services also powerless to act? And how have the propaganda and training departments of the precinct and district party committee fulfilled their function in solving such a pressing problem on the cultural and ideological front within their locality? Some party organizations pretend not to know about the problem or recognize the danger posed by the "video revolt" but have yet to take determined measures. At one place, the standing committee of the district party committee dismissed the chief of the movie unit for showing a film from Hong Kong. Later, however, the provincial military unit came and showed the same film in the district and everything was as quiet as though nothing had happened. It should also be mentioned that in some localities, persons have taken advantage of the Ministry of Culture permitting the cultural services to approve some video tapes for use within agencies and households to acquire "blanket" approval and "blanket" permits, thus creating the conditions for the indiscriminate use of films not on the list of films permitted by the ministry. Clearly, if the law is not strictly enforced, if there is not a clear and detailed division of responsibility in the management of video recorders and tapes and if there is not a unity of action among the leaders of agencies and sectors, the cultural service and local party committees, we cannot crush this "revolt."

We suggest that, in the immediate future, the state issue a document which clearly defines responsibilities in the management of video recorders and tapes, clearly stipulates which agencies or sectors are permitted to do business in video cassettes and puts this business under the state plan in the same way that cinema activities are. At the same time, penalties for violations in the use of video cassettes should also be stipulated to augment Article 99 of the Criminal Code to be consistent with the actual situation.

Should we not immediately set up a specialized agency to manage video cassettes nationwide? It has come time for a specific decision in this regard. Of importance is the

need for this specialized agency to have the organizational conditions and capabilities needed to copy and transfer films onto video tape. This agency would coordinate with the public security, customs and other sectors to intensify inspections at seaports and outdoor markets in order to tightly manage the sources of recorders and tapes.

In the localities, we suggest that the party committees coordinate with the cultural service and functional agencies to set up an inspection network to prevent recorders and tapes from entering and being used within the locality.

However, it is also important for us to have wholesome and interesting tapes to replace poisonous underground tapes. Besides properly managing the "pipeline"—the source of tapes—video equipment—the organization showing films, the responsible agencies should also import, produce and distribute tapes nationwide. Investing in this area is not only necessary, but would also prove profitable. We should encourage remote localities and troops and public security units on the border and the islands to equip with video recorders. To date, they have only taken the step of "banning" illegal videos and have not given full attention to meeting the information and entertainment needs of the people through videos. We must reorganize and produce tapes in such a way that the wholesome cultural and aesthetic needs of each citizen are met, thereby helping to cultivate our beautiful socialist thinking, ethics and way of life.

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Editorial Staff's Interview on the Campaign To Purify and Increase the Fighting Strength of Party Organizations

42100007k Hanoi TAP CHI CONG SAN in Vietnamese No 2, Feb 88 pp 69-75

[Text] Editorial Note: On 12 September 1987, the Political Bureau of our Party Central Committee issued Resolution Number 04-NQ/TU on the campaign to purify and increase the fighting strength of party organizations and the state apparatus and make social relations wholesome. To help to propagandize and properly implement this resolution, TAP CHI CONG SAN organized an exchange of opinions in the form of an interview concerning a number of basic issues raised by the resolution.

Below are some of the opinions expressed in this exchange.

The first question: As we know, the struggle against negative phenomena is one of the most important requirements in this campaign. In your opinion, on which matters must the struggle against negative phenomena be focused in this stage?

Nguyen Manh Can (deputy director of the Organization Department of the Party Central Committee): the campaign to purify and increase the fighting strength of party organizations and the state apparatus and make social relations wholesome is truly a revolutionary campaign, is part of the struggle between socialism and capitalism. The scope of the struggle is very broad and its impact is very large. From an economic standpoint, it will help to protect and perfect the system of socialist collective ownership, protect the property and material base of socialism and uphold the principle of distribution in accordance with labor. If carried out well, this campaign is capable of reducing the difficulties being encountered by cadres, party members and the people in their everyday lives. Politically, it will cut down on violations of the rights of citizenship of the people, purify and strengthen the organizations within the proletarian dictatorship system and help to increase the strength of the socialist system in every respect. Culturally and socially, it will create favorable conditions for strengthening ethical and spiritual values, molding the new man, cultivating the new way of life and establishing the new culture while strengthening the masses' confidence in the party, in the system.

At present, negative phenomena, such as a decline in the will to fight and spirit of responsibility, conservatism and stagnation, a lack of a sense of organization and discipline, corruption, special rights and privileges, bureaucracy, remoteness from the masses, intimidation of the masses and so forth, are damaging the prestige and fighting strength of the party and state. These phenomena exist in more than a few persons, including many persons who hold official positions, and are obstacles to the implementation of the resolution of the 6th Congress and the other resolutions of the Party Central Committee. Our attack must be directed toward these phenomena, toward specific persons and collectives.

—Nguyen Tien Cang (secretary of the Nguyen Du Subward Party Committee in Hanoi): negative phenomena are of many different types. However, in my opinion, special rights and privileges are the worst in the present stage. They are the product of the old system, vestiges of which still remain in our society, and exist within the context of the party being the party in power. This phenomenon has spread very rapidly since the country was reunified. It has emerged in each field, on each level, within each sector and among every type of cadre, from high ranking cadres to ordinary personnel within the apparatus of the party and state and occurs once their ethical qualities decline. This phenomenon is the most vivid manifestation of individualism and opportunism in the new stage.

It is very interesting to note what V.I. Lenin wrote about this matter: when the party is the party in power, some persons take advantage of the special privileges resulting from their being members of the party that has assumed

power and do not want to bear the heavy burdens of sacrifice and dedication in support of communism. We must drive these opportunists from the party.

As far back as 1946, Uncle Ho also sternly warned cadres, party members and state personnel about special rights and privileges.

—Bui Nghe (secretary of the Chuong My District Party Committee in Ha Son Binh Province): through an inspection of the quality of party members at 16.2 percent of the basic party organizations and among 29.4 percent of the party members of the Chuong My District party organization, we found that three negative phenomena are prominent:

1. Irresponsibility and a decline in the will to fight: because of this situation, more than a few directives and resolutions of the party and state are "suspended in mid air" and do not reach basic units, do not reach cadres, party members and the masses. The ties between the upper level and the lower level, between the party and the masses have inadvertently been severed. Meanwhile, more than a few cadres and party members are indifferent, pessimistic and evasive. They see what is right but do not defend it, see what is wrong but do not protest against it.

2. Abuse of socialist property and violations of economic management principles: through an inspection of the quality of party members at 13 basic party organizations, we found that the number of party members who had violated the standards on personal qualities ranged from a low of 30-40 percent at one place to a high of 60-65 percent at another place, with 50 to 60 percent of these persons committing economic violations. Most of these violations involved intentionally allowing debts to go unpaid for long periods in the delivery of products; establishing illicit funds within the unit, engaging in misappropriation and stealing from the collective; violating the principles concerning spending on food and beverages; using the name of the collective to earn illegal gains; pilfering from the collective...

3. Special rights and privileges and suppressing and intimidating the people: thinking that "money can be earned at any job," some cadres and party members have used their position and authority to further their mercenary interests by arranging "fat" jobs for relatives, using cropland illegally, looking for every way to evade obligations, particularly the obligation to defend the fatherland, etc. At many places, suppression and intimidation of the people have reached an alarming level, particularly in the countryside. Beating citizens, confiscating the property of citizens, violating the democratic rights of farmers...have become widespread.

In my opinion, the struggle against negative phenomena must focus on these types of phenomena.

—Thai Ninh (director of the Marx-Lenin Textbook Publishing House, the Propaganda and Training Department of the Party Central Committee): struggling against negative phenomena is one of the three requirements of the campaign. In this struggle, I think that our efforts must be focused on combating the three types of negative phenomena set forth in the resolution:

First, the decline in the will to fight, irresponsibility, conservatism, stagnation and not speaking and acting in accordance with resolutions.

Secondly, theft, offering and accepting bribes, profiteering, black marketing, a decadent, degenerate way of life, abusing one's position and authority and assuming special rights and privileges.

Thirdly, bureaucracy, arrogance, suppression of the masses, degeneracy, deviancy and earning a living illegally.

These types of negative phenomena are usually interrelated within each negative person. These types of negative phenomena can be combated from an ethical perspective or an economic perspective. At present, most of our emphasis is being placed upon the ethical perspective. Public opinion is very angered by theft, misappropriation, bribery, arrogance and a degenerate and promiscuous way of life. Although, as K. Marx said, ignorance usually leads to tragedy and irresponsibility causes serious consequences in many areas (100 times more serious than misappropriation and theft), public opinion has yet to give these matters its full attention and, in fact, has virtually "forgotten" them.

I would like to see public opinion denounce phenomena associated with negligence more strongly and legal agencies prosecute these phenomena more vigorously. This is a type of negative phenomena that is quite widespread. It is found on many levels, within many sectors and localities, within party organizations and within the state apparatus. It causes major harm and leads to severe consequences in many areas. For example, simply because of negligence, the Binh wharf cold storage facility in Haiphong allowed hundreds of tons of exported garlic to spoil, causing a loss of 20 million dong. Due to the decline in their will to fight and a fear of difficulties and hardships on the part of cadres and seamen, a ship carrying nearly 500 tons of nitrogen fertilizer sank. In one locality, negligence on the part of some cadres resulted in a dike breaking and in flooding that caused damages in the billions of dong. If each sector and locality were to keep statistics on the damage caused by this type of negative phenomena, they would surely be dismayed. This is not to mention the losses in terms of persons, thinking, confidence and character from which we cannot recover.

I would also like to say that this type of negative phenomenon also includes many other insidious and rather serious habits. These are: working in an irresponsible, form for form's sake manner; doing that which is easy while avoiding that which is difficult; being lazy and relying upon others; stealing time from the state... These habits cause considerable economic and ideological harm, particularly in the effort to mold the new man. The persons associated with this type of negative phenomenon usually have many other bad habits: lying, deceiving others and practicing trickery; disrupting economic management procedures and causing economic returns and the efficiency of work to decline... In many agencies and enterprises, stagnation and disorganization have become widespread as a result of these ills.

—Huu Tho (member of the Editorial Board of NHAN DAN Newspaper): the 6th Party Congress pointed out that in the process of renovation, we must struggle against "conservatism, stagnation and the other negative phenomena." Thus, conservatism and stagnation are very large negative phenomena that are a very formidable obstacle in our path. There has not been one case of misappropriation or theft in which the losses have exceeded several tens of millions of dong. But, adopting an incorrect policy, incorrectly deciding to build a project, signing an agreement in which there are loopholes, setting a price incorrectly, stubbornly maintaining an outmoded policy...often cause losses in the hundreds of millions and billions of dong. For this reason, together with the struggle against persons who are degenerate and deviant, it is necessary to struggle against negligence and remove those persons who refuse to implement the policies of renovation and persons who are incompetent and issue incorrect policies that cause major harm to the economy or who are leading units that have long been stagnant. Persons in positions of responsibility must be held accountable. In my opinion, waging a determined struggle against conservatism and negligence and replacing persons who are incompetent are an important part of the struggle against negative phenomena.

—Nguyen Dinh Hung (chief of the Judicial Management Department, the Ministry of Justice): because negative phenomena are very diverse, it is necessary to chart the correct course and precisely define these negative phenomena so that we can attack them accurately and effectively. Therefore, allow me to try to classify negative phenomena:

a. Negative phenomena associated with self-interest: the theft of socialist property and property belonging to citizens; doing business outside a unit's function; abusing one's authority for personal gain...

b. Negative phenomena associated with force: violating the honor, dignity or person of a citizen; disrupting public order; suppressing and intimidating the masses...

c. Passive negative phenomena: indifference, laziness, gambling, opium addiction, superstitious beliefs, avoiding social work...

Of course, we are waging a struggle against all three types mentioned above. In my opinion, however, our efforts must be focused on combating the first type. Because, these phenomena cause very serious harm. They are a product of individualism. At the same time, they are the cause of many other negative phenomena.

The second question: Why have we been unable to put a stop to negative phenomena and, in fact, have seen more negative phenomena emerge the more we have talked about struggling against them? What are the advantages and difficulties associated with this campaign?

—Phan Duc Luan (deputy director of the Propaganda and Training Department of the Party Central Committee): we cannot fight or quickly put an end to negative phenomena by erecting a "wall" or issuing a "decision." We cannot win victory over negative phenomena by launching a massive assault as we would in a battle in war. That is, we cannot be impetuous. However, this is no reason to lack initiative, lack resolve or fail to take positive actions. In the recent past, we have failed to put a stop to negative phenomena because the measures we have taken have been half-way measures lacking resolve and thoroughness.

N.V.L.'s "The Tasks of the Moment" is a breath of fresh air that has given new impetus to the struggle against negative phenomena. It has the support of the entire party and all the people and has further strengthened the people's confidence in the party. On the other hand, renovation and restructuring are trends in the world today. The urging of the entire community is closely tied to our pressing need to adopt a new approach. This is both the intention of the party and the sentiment of the people. These are very basic advantages.

Our difficulties, of course, are numerous and unavoidable. I think that the greatest difficulty is that of rebuilding confidence. When we lose confidence, we have lost everything. We have taken a number of steps to restore the confidence of the people and must continue to maintain it. This is the key, the secret to overcoming our difficulties.

—Le Xuan Dong (deputy director of the Propaganda and Training Department of the Gia Lai-Kontum Provincial Party Committee): our party and state recognized the need to combat negative phenomena long ago and have adopted more than a few policies and measures to fight negative phenomena. Yet why have negative phenomena continued to develop and increasingly become more serious?

This is a matter that we must study in depth. We must seriously review the efforts that have been made, which much include reviewing our perceptions, positions and

measures. We cannot be impatient. Nor can we make indignation or subjective desires our starting point. Only in this way can we adopt effective measures which further confirm our determination.

We have not done these things well recently. We have not pointed out the causes of negative phenomena and have not taken measures to combat them effectively. "Leaving things unfinished" and even "not pulling together" are still rather widespread practices. This is perhaps why negative phenomena have been on the rise. Negative phenomena do not exist in isolation but are very closely tied to one another from every direction. If we do not see them all, if our efforts to combat them are not accurately aimed, it is no different than concealing one thing only to reveal another. The matter then becomes even more complex.

—Binh Phuong (deputy director of the Internal Affairs Department of the Party Central Committee): more than a few persons maintain that there is no shortage of urgent jobs that need to be performed and say about fighting negative phenomena: the more we fight them, the more they break out. This thinking is incorrect. Over a period of many years, our party and state have adopted many policies and measures for waging the struggle against negative phenomena. Although certain results have been achieved, it is clear that our objective has not. Negative phenomena are still widespread and very serious. Why is this? In my opinion, for many years, we have committed serious shortcomings in ideological work and have been lax in teaching and forging qualities and ethics. This has caused many deviations to arise in the perception, the philosophy of life and the way of life of more than a few persons. The most obvious and primary manifestations of these deviations are: the thinking of doing everything for mercenary gain; competing and fighting for money and gold and worshipping money and gold; commercializing the relationships between one person and another; the thinking that everything is for sale, from diplomas and jobs to one's position and honor... On the other hand, mistakes in our mechanism, one both restrictive and marked by loopholes, led to the emergence of the phenomena of disorganization and a lack of discipline and disregard for law and order, which have led to violations of the law and, in more than a few cases, to crimes.

Since the 6th Party Congress, particularly since the publication of N.V.L.'s "The Tasks of the Moment," we have taken new strides forward in the struggle against negative phenomena. The strength of public opinion, the pressure of the broad laboring masses and the effective efforts of legal agencies against negative phenomena have inspired the struggle and built momentum for successful development in the right direction. These are very basic advantages that must be developed upon.

However, to guarantee that the struggle wins victory, it is of key importance that we chart the correct course, accurately identify our objectives and concentrate our

forces in constant attacks on the right targets. This is an area in which we have long encountered many difficulties. Everyone is in agreement when talking about negative phenomena. But when we get down to specifics and begin talking about which person or unit is involved in these phenomena, people become evasive. Facts have shown that there are still more than a few places that are "off limits" to criticism. The loyal person who denounces something is still the subject of retaliation and revenge. Negative powers, I can say, are still strong. They are aligned with one another. Consequently, the struggle inevitably encounters difficulties and obstacles and has even lost sight of its targets and lost its direction at one place or another. Herein lies our main difficulty. This is not to mention the enemy, who is always anxious to commit sabotage and strengthen the hand of negative forces, thus causing us additional difficulties. However, I believe that we will succeed in overcoming these difficulties if we sharpen our weapons and build high confidence and determination.

—Vu Xuan Can (member of the Secretariat of the Vietnam Confederation of Trade Unions): the situation today is very complex. Negative phenomena have developed on a broad scope and in many different forms and have caused major harm. In particular, the majority of the cases and incidents involving negative phenomena are caused by persons in official positions and persons who have money and power. These are forces which impede and pose major difficulties to the campaign.

Profiteers, black marketeers and dishonest merchants have been and are conspiring and collaborating with degenerate and deviant elements as well as undesirable elements within the party and state apparatus to counter-attack and undermine what we are doing. I think that this also poses a considerable difficulty.

Unfair distribution; the continuing acute difficulties being encountered by workers in their everyday lives; and slow and less than vigorous prosecution of incidents and cases involving negative phenomena plus the practice of protecting criminals and persons who retaliate and take revenge against critics, these are also difficulties and cause the masses to be indignant and to not have true confidence in the victory of this campaign.

Furthermore, we have guided the implementation of directives and resolutions without determination, without coordination, without inspection or supervision. If we do not overcome these shortcomings, we will surely encounter greater difficulties.

—Phan Hien (vice minister of information): I am encouraged because the resolution satisfies the desires of persons of conscience within the party and among the people. Our party, which has the experience of more than one-half century of struggle, has great prestige among the people and in the world. At present, however, the

unwholesome phenomena that have weakened the fighting strength of party organizations and the state apparatus, as pointed out and analyzed in the resolution, go beyond the limits of the permissible shortcomings and weaknesses of a revolutionary organization. This is a matter that cannot be given light attention.

We cannot place the blame on objective conditions, on aggression by the imperialists or on small-scale production, even though this is a correct evaluation of the objective causes. Rather, we must recognize all the subjective causes so that effective corrective measures can be taken. Recently, the spirit of determination that has prevailed from top to bottom, from within to outside the party, the spirit of working in a thorough and open manner together with the initial steps taken to tap the strength of public opinion, the prosecution of a number of cases...have given hope to cadres, party members and the working people of the entire country.

However, I still see many difficulties because negative phenomena exist not only in society, but have very deeply penetrated the organizations of the party and state, particularly cadres in official positions. Some leaders on the upper level have asked me: are there not phenomena that are disrupting social order today? I have replied in a responsible spirit and not afraid of being wrong that I do not fear undesirable elements reappearing and disrupting order, even though this matter cannot be treated lightly, because these forces did everything they could for several decades and were still unable to undermine our cause, to turn back the tide of history. What I fear most of all is negative phenomena infiltrating the body of our party and state, eroding the will to fight of the vanguard corps, the nucleus of society, and shattering the will and strength of the apparatus of the proletarian dictatorship. The complex and difficult problem is that in order to "crush the rebellion" externally, we must first "crush the rebellion" internally. This will not be easy.

—Do Tong (deputy director of the Political Education Publishing House of the Department of Propaganda and Training of the Party Central Committee): there are reasons why the more we talk about combating negative phenomena, the more they "spring up." In my opinion, the serious and prolonged, to the point of being abnormal, state of negative phenomena today is due mainly to subjective causes. These are mistakes in positions and policies, in strategic guidance, in organizing implementation, in economic management and social management by our party and state. Deserving of attention is that correct positions and policies and solutions lie within our reach but we have not adopted them or have not applied them thoroughly. Some key leadership and management cadres of party and state agencies have shown themselves to be powerless in the face of negative phenomena. They have shirked their responsibility and do nothing more than issue empty and very ineffective

moral appeals. A number of others, all less than exemplary, have looked for ways to avoid participating in the struggle and even concealed, supported and provided a base for the development of negative phenomena.

Violations of democracy and openness in party life and within society and the relaxation of the dictatorship of the proletariat created a loss of confidence among many loyal party members and masses, thus opening the door for degenerate and deviant elements and persons who earn their livings illegally to rush in and show contempt for discipline and the law.

Many measures have been adopted to combat negative phenomena. However, these have been implemented in a half-hearted, uncoordinated manner lacking resolve and thoroughness. The fact that the party committees have not provided good guidance to coordinate the various levels, sectors and mass organizations in the struggle against negative phenomena and the lack of uniformity in how the situation is perceived, how cadres are evaluated and how guidelines and policies for dealing with negative phenomena are applied have led to opposite consequences: the same negative phenomena in the same person are praised by some but criticized by others, are the subject of disciplinary action at one place but a reason for a promotion at another.

All these situations cause the struggle against negative phenomena to encounter difficulties, be ineffective and even go off in the wrong direction.

—Nguyen Tien Cang: we are waging a fight against misappropriation, bribery, conspiracy, authoritarianism... But, in this struggle, we have yet to seize the initiative and continue to be caught off guard by specific cases and incidents that occur, despite putting much time and effort into this work. At a time when negative powers are very strong and are becoming increasingly cunning, we have yet to learn how to concentrate our forces on resolving this problem. In many cases and incidents, we still hesitate, act leniently and let things go, particularly when high ranking cadres are involved. Here, one question arises: if we are to effectively combat negative phenomena, should we not start at the top first? There are many different opinions concerning this matter. Some persons say: if the roof leaks, start at the top.

Others hold that we should start on the basic level because it is there that we have direct relations with the masses. Although this is a seemingly simple matter, it is one which represents a difference in viewpoint and methods and must be given our thought. Everyone knows that the role played by the leaders of the various levels, sectors and units determines our victory or defeat in this struggle. Facts show that there is no guarantee that things will change on the top if things change on the bottom. However, if things change on the top first, the bottom is sure to follow. The tail follows the head. It is clear that we cannot keep doing things the same old way. (Continued next issue)

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Necessity of Preserving All Historical Relics and Cultural Values of the Nation

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[By Bui Thiet; article not translated]

Peasants and Riceplants in Phu Chau

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[By Tran Trung Nong; article not translated]

'Through the Books and Magazines From Fraternal Countries' Section

From the Soviet Press: The Process of Restructuring and History

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[Article not translated]

From the Soviet Press: Lessons From the 1968 Crisis in Czechoslovakia

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